

2002 Outcomes Evaluation

Neighborhood Development Center, Inc.

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Neighborhood Development Center, Inc.

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Introduction

Background

The mission of Neighborhood Development Center (NDC) is to help low income communities build their capacity and stability by helping emerging entrepreneurs develop successful businesses that serve their communities and to help community groups build stronger neighborhood economies.

In partnership with neighborhood organizations (e.g., CDCs, District Councils) and ethnic organizations, NDC provides microenterprise training to entrepreneurs in small groups in their own neighborhoods and communities. The trainings, held in the offices of the neighborhood partners, 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.

In addition to the neighborhood-based training, NDC has two specialized training programs. The Recipes for Business Success program (Recipes) trains those interested in the food products industry. 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 classroom graduation, NDC staff trainers and neighborhood partners provide follow-up technical assistance to help entrepreneurs complete their business plans. Once an entrepreneur opens (or expands an existing) business, NDC is available for assistance at least monthly, and the neighborhood partners are available for assistance as needed.

NDC's Workshops for Existing Businesses (WEB) have been offered on many topics in many neighborhood and ethnic settings, such as a Spanish-language set of three restaurant management workshops offered at the Mercado Central. These are designed to strengthen small existing businesses in targeted neighborhoods, whose owners rarely attend the 16-week business plan class.

Incubators are another method NDC uses to support businesses. NDC opened the Midtown Business Center (MBC) in 1997 in partnership with the Frogtown Action Alliance. Incubator tenants have access to shared computers, fax, and copier machines, and can access on-site technical assistance from NDC's business development specialists. There are now two MBC incubator buildings with 19 businesses. The Mercado Central is

a collaborative project developed by Project for Pride in Living, Interfaith Action/Catholic Charities, Whittier Community Development Corporation and NDC. It is a cooperatively-owned retail incubator with 47 member-vendors, the majority of whom are graduates of NDC's Spanish language training classes. NDC assists members' businesses with bookkeeping, marketing, and other issues from an on-site office. The Recipes program also has a commercial kitchen incubator.

To participate in NDC's 16-week training, entrepreneurs must live in the targeted neighborhood or start their business in that neighborhood and have incomes below \$43,500 (adjusted based on family size), which is approximately 80 percent of the median income for a family of four in St. Paul and Minneapolis.

Few of those trained are able to obtain commercial loans from banks; consequently, NDC has its own Micro Loan Fund called the Neighborhood Entrepreneur Loan Fund, which lends up to \$10,000 to qualified graduates. Larger amounts are available to businesses with strong plans and the potential for high impact. The Special Opportunities Loan Fund, a loan program for already existing businesses, offers matching loans for businesses with the potential to make strong community impacts.

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 this financing program for small businesses that is Islamically acceptable. To the best of our knowledge, NDC is the only organization in the country to offer this program. 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 it is in the form of profit rather than interest.

As of December 2002, NDC had provided loans to 145 training graduates totaling over \$2.7 million and nearly \$215,000 in Islamically-acceptable financing to 18 entrepreneurs.

This report covers NDC expenses through December 31, 2002, and businesses in operation as of March 2003.

Since 1993, NDC has trained more than *1,445 people*, and NDC trainees currently have 292 businesses up and running in 16 Twin Cities neighborhoods.

Purposes of the evaluation

NDC is interested in updating Wilder Research Center's (WRC) 2000 program evaluation by obtaining objective and timely information from training program alumni who are currently in business as well as owners assisted by NDC at Midtown Business Center (MBC) or Mercado Central incubators, or who are part of the Islamic Financing program. This information documents NDC's economic impact on NDC-assisted businesses as well as on the neighborhoods where owners reside and operate businesses and assesses the extent to which NDC is leveraging its resources (staff and budget) and living up to its mission. The information will assist in future NDC strategic planning, implementation, and fundraising. In this report, we refer to the training alumni currently in business and the businesses located in NDC supported business incubators, and the businesses provided Islamic Financing as "NDC-assisted businesses."

The key evaluation questions are:

1. What is the status of NDC-assisted businesses?
2. What are the business plans of NDC-assisted businesses?
3. How are NDC-assisted business owners doing financially?
4. How are neighborhoods with NDC partnerships benefiting with respect to jobs and quality of life?
5. What is the scale of NDC and how cost efficient is it?

Evaluation methods

This evaluation is based on data obtained from NDC's program records database and from surveys conducted by telephone with NDC-assisted business owners by Wilder Research Center interviewers. NDC provided information on training alumni business owners' neighborhood, training cycle, beginning income, gender, race, education, employment status, prior training, and type of business, as well as information on overall program costs, staff inputs and trainee numbers. The questionnaire for the NDC evaluation surveys was developed by WRC in collaboration with NDC staff and board.

The surveys were conducted by telephone from March 6 to May 29, 2003. WRC began with a list of 359 business owners identified by NDC. Each owner was mailed a letter from NDC describing the purpose of the evaluation and asking for his or her cooperation. WRC completed survey questionnaires with 222 owners. Of the 137 remaining, 27 said

that they either had never started a business after training or that they had gone out of business, 38 could not be located and were presumed not to be in business, and two were duplicates of business already on the list. Of the other 70 thought to be in business currently, 8 refused to complete a questionnaire, 38 did not complete a questionnaire after repeated attempts (from 10 to 25 tries), 22 were not able to be surveyed by Wilder but NDC verified they were in business, one other was unable to be surveyed due to a language barrier – Oromiffa, and one completed a brief feedback survey about NDC’s WEB services but not an outcomes survey. The response rate for the survey of business owners, then, is 76 percent (222 out of 292 eligible businesses).

While this evaluation began with a list of NDC-identified assisted business owners and arrived at a picture of existing businesses by subtracting those found not to be operating currently, it does not account for those businesses which may have been started unbeknownst to NDC by any of the 1,445 people who have enrolled in NDC training classes since 1993.

1. Number of completed surveys

	Metro Business Center	Mercado Central	NDC Training Only	Islamic Financing	Total
Ethnic training	-	12	41	-	53
Neighborhood training	-	-	138	-	138
Recipes	-	1	11	-	12
No NDC training	7	9		3	19
Total number	7	22	190	3	222

Changes from previous evaluations

This evaluation has a few changes and additions to find out more about the businesses and how NDC’s programs are assisting owners. New information includes:

- More questions about changes for owners of existing businesses since involvement with NDC including additional locations, moving their home, or improving their home.
- A new breakdown in employees’ race/ethnic background including Somali.

Evaluation summary

Profile of business owners assisted

NDC-assisted business owners are a diverse group, with about equal proportions of men and women, and an average age of 42 years. All are residents of inner city (targeted) neighborhoods. Of the 222 business owners surveyed in 2003 (out of 292 known to be in business):

- Seventy-three percent are persons of color (up from 65% in 2000) including 34 percent African-American, 23 percent Latino/Hispanic, 6 percent Hmong, 3 percent Somali, 2 percent Native American, and 2 percent of African descent.
- Fifty-six percent of owners have some post-secondary education, about the same as in the 2000 study.
- Thirty-three percent of owners have gross monthly household income over \$3,500, followed by 13 percent who make \$3,001 to \$3,500 per month.
- Nine percent of the owners have prior business training, down from 20 percent in 2000, and 27 percent in 1998.

NDC business growth

Since NDC assistance, businesses have experienced moderate to considerable growth. Thirty-seven percent have started a new business, and 63 percent expanded an existing business.

Of the expanding business:

- Fifty-eight percent report increased gross monthly revenues, with 22 percent increasing revenues by \$2,000 or more per month (37% of all owners).
- Forty-seven percent increased their monthly business income since assistance (29% of all owners).
- Twenty-nine percent of owners have increased hours of business since training or other NDC assistance (18% of all owners, down slightly from 25% in 2000); 30 percent have employed more workers (19% of all owners).
- Thirty-six percent have improved or upgraded their home and 25 percent have moved their household to a different neighborhood.

Of all businesses:

- Twenty-six percent of owners have not yet made a profit. Twenty-three percent made a profit in six months, with another 18 percent making a profit within the first year.
- Before training, 14 percent of NDC business owners who received training made more than \$3,500 a month; now 34 percent of owners report monthly incomes above \$3,500.

Status of NDC-assisted businesses

The typical NDC-assisted business is located in commercial space, is a sole proprietorship, providing a service to customers within and outside of its immediate neighborhood, and has low debt.

- The 222 businesses in this study are slightly more mature than those surveyed in 2000, with an average length in business of 5.3 years in 2003 and 4.8 years in 2000. Forty-five percent have been in operation five years or more, with another 29 percent operating from one to two years.
- Well over half (58%) the businesses are in the service industry, 23 percent in retail, 12 percent in food, and the remaining 7 percent in construction and production.
- The highest percent of owners have used credit cards for loans (33%), followed by 25 percent who have a loan from a friend or relative, 24 percent who had loans from NDC, and 24 percent with loans from a bank. Seventy percent of businesses received loans from one of these sources, up slightly from 66 percent in 2000. Still, 33 percent of owners have no debt (down from 43% in 2000) and 15 percent owe less than \$5,000. The average debt level is \$25,963; the median is \$4,500 (slightly more than double that of 2000), with a range from \$0 to \$400,000.
- Over half of the owners currently operate businesses out of commercial space, with 9 percent who own their own space. Forty-eight percent of owners lease commercial space compared to 37 percent in 2000.
- Sixty-three percent are sole proprietorships, up from 52 percent in 2000.
- Forty-three percent report that 10 percent or less of their business comes from within one mile, followed by 22 percent each who have 26 to 50 percent or more than 50 percent coming to their business from within one mile.

NDC business owners: Finances and employment

NDC-assisted business owners enjoy being in business for themselves and are meeting their personal goals more so than their business goals. Although monthly incomes are up since being assisted by NDC, monthly incomes tend to be lower now than in the 2000 study. Many owners rely on their business as their primary income.

- Sixty-nine percent work full-time at their own business, up from 61 percent in 2000.
- Thirty-seven percent work at another job (19% full-time) in addition to their own business. Fewer owners work another job compared to the last report, especially full-time.
- Twenty percent rely on family members who work for their business without pay, down from 37 percent in the previous study.
- Fifty-two percent of owners' primary source of income is their business, up from 44 percent in 2000. On average, 49 percent of household income is brought in by the business.
- Forty-eight percent of owners say that being in business meets their personal goals "quite a bit," but only 17 percent say they are meeting their financial goals "quite a bit," down from 23 percent in 2000.
- Owners who receive AFDC, General Assistance or cash assistance from MFIP decreased slightly from 5.4 percent at the outset of NDC assistance to 4.5 percent at the time of the interview.
- Twenty-nine percent of owners report more than \$5,000 in gross monthly revenues.

Impacts on neighborhoods

NDC-assisted businesses are spread throughout 16 neighborhoods and ethnic communities. The businesses continue to contribute substantially to their communities through rent, property taxes, local purchase of supplies and materials, neighborhood jobs, payroll taxes, and tangible support for neighborhood events and improvements.

- On average, NDC-assisted businesses spend about \$804 per month within their neighborhood on business materials and supplies, down from the \$1,110 reported in 2000. Owners estimate they spent a total of \$1,988,088 on materials and supplies in their neighborhoods in the past year.
- Nine percent of business owners own their buildings and pay total annual property taxes of \$56,083.

- Forty-eight percent of owners rent space for a total annual rent figure of over \$1,380,516.
- Owners pay \$1,008,828 in payroll taxes annually.
- Sixty percent of owners surveyed report contributing money or in-kind support to neighborhood events or activities in the past year, totaling \$441,357, up from \$334,693 in 2000.

NDC-assisted businesses have generated needed employment opportunities (in addition to the 222 owners), but fewer have employees than in the past.

- Altogether, NDC-assisted businesses surveyed now employ 403 individuals, an average of 1.8 persons per NDC business, down from 720 individuals and an average of 3.1 employees in the 2000 study. Thirty-seven percent of businesses have employees.
- Forty-eight percent of paid employees are neighborhood residents, down from 67 percent in 2000. The total monthly payroll of NDC businesses that employ neighborhood residents is \$363,010.
- Forty-seven percent of employees work full-time. Hours worked is similar to the 2000 study.
- Seventeen percent of paid employees are family members.
- Fifty-seven percent of employees earn less than \$10 per hour, with 29 percent earning between \$10 and \$20 per hour, and 8 percent earning over \$20.
- Eighty-three percent of owners with employees provide some form of employee training, up from 73 percent in 2000.
- Thirty-four percent of owners provide paid vacation days, 29 percent provide paid holidays, and 18 percent provide paid sick days.

Business owners also contribute to their neighborhoods in less tangible ways: by serving as role models, participating as leaders in community activities, providing a place for neighbors to meet and talk, and offering services or products to communities that need them.

- Eighty-three percent of NDC owners say they believe they serve as role models in their communities, most often by helping to educate others and provide a positive model or by providing time and assistance.

- Thirty-five percent of business owners say they are leaders in their communities; 69 percent provide time and assistance in neighborhoods (up from the 2000 study), 17 percent serve as an inspiration or mentor to others, and 16 percent are group or board leaders.
- More generally, NDC-assisted owners report that they feel they contribute to their communities such as by providing needed and affordable services (38%) or by giving in-kind or cash contributions (16%).

Owners' views of NDC

- In general, owners have positive views of NDC assistance.
- Seventy-four percent say that their business is as successful as it is today largely (23%) or somewhat (51%) because of NDC. Owners attribute this success to education, financial assistance, general business advice, and NDC's expertise in starting a business.
- Seventy-two percent of owners said they have used NDC business advice a lot (42%) or some (30%). The most helpful advice has been bookkeeping, accounting and financial, along with business development, and marketing and advertising assistance.

Plans for growth and how NDC can help

- Owners would like to have an average of 2.7 locations and six employees. Owner goals in these two areas are lower than 2000 levels.
- Twenty-seven percent of owners expect to gross under \$5,000 per month, followed by 23 percent who have monthly revenue goals of \$25,000 or more.
- Eighty-two percent have other goals for their businesses, which include offering new products or services, increasing job sites, and expanding into new markets.
- Thirty-seven percent say it would take \$10,001 to \$50,000 and 34 percent would require more than \$50,000 in additional capital to achieve their goals.
- The top three ways in which NDC-assisted businesses believe NDC could help their businesses grow are: financial assistance and support, marketing and networking, along with technical assistance.

NDC program groups

In general, owners in the Mercado Central find NDC's assistance most useful and beneficial to their business. Variations exist by NDC program involvement.

- A larger proportion of owners in the Mercado Central report they have used NDC's business advice a lot (59%) than do the training alumni (41%) or the owners in the Midtown Business Center (one out of seven).
- Midtown Business Center has the highest payroll per employee, \$3,000, which is an increase from the 2000 level.
- The training group accounts for 85 percent of all business and 73 percent of all employees. These businesses have been in operation the longest, an average of six years. More training participants have taken over 18 months to make a profit than in other groups, and 38 percent have another job, the highest of the three groups. They employ a higher percentage of neighborhood residents than other groups.

Overview of NDC program performance

Figure 2 outlines the scale and cost efficiency of NDC as of 2002, estimating the program costs per entrepreneur, per business started or expanded, and per job created or retained. It also estimates the current and projected dollar value of community-related contributions and business expenses of NDC-assisted businesses.

2. Overview of NDC program performance 1993 to 2002

NDC PROGRAM INPUTS	
Total program expenses (1993-2002) ¹	\$3,784,670
Number of NDC staff	12
Number of trainers	11
Number of partners	15
Number assisted (trained and incubated)	1,907
NDC PROGRAM OUTCOMES	
Number of open businesses ²	292
Number of jobs created or retained—full-time and part-time (includes surveyed businesses and estimates for other open businesses) ²	822
NDC PROGRAM EFFECTIVENESS AND EFFICIENCY	
Cost per entrepreneur: (Rutgers study found range \$841-\$6,487) ³	\$1,985
Cost per current business: (Rutgers study found range \$1,437-\$8,800) ³	\$12,961
Cost per current job: (Rutgers study found range \$4,114-\$6,155) ³	\$4,604
Entrepreneur to business ratio:	7:1
Entrepreneur to staff ratio:	159:1
Entrepreneur to staff/trainer ratio:	83:1
Entrepreneur to staff/trainer/partner ratio:	50:1
Business to staff ratio:	24:1
Number of jobs per business	1.815
FINACIAL RETURN BY BUSINESSES	
Dollars returned each year to neighborhoods (surveyed businesses):	
Rent	\$1,380,516
Purchased supplies/materials—in neighborhood	\$1,988,088
Cash/in-kind contributions—in neighborhood	\$441,357
Payroll of business owners <i>who employ neighborhood residents</i>	\$4,356,120
Payroll taxes of owners <i>who employ neighborhood residents</i> ⁴	\$798,276
Property taxes	\$56,083
Total	\$9,020,440
Average per business per year	\$40,633
Number of months to pay back total NDC Program costs	5.03 Months

2. Overview of NDC program performance 1993 to 2002 (continued)

Dollars returned each **year overall to the Twin Cities area** (surveyed businesses):

Rent	\$1,380,516
Purchased supplies/materials—in neighborhood	\$1,988,088
Cash/in-kind contributions—in neighborhood	\$441,375
Payroll of all business owners	\$6,202,608
Payroll taxes of all business owners ⁴	\$1,008,828
Property taxes	\$56,083
Total	\$11,077,480
Average per business per year	\$49,899
Number of months to pay back total NDC program costs	4.1 months

¹ Includes Micro Loan Program, Food Project (Recipes), and General and Administrative Overhead including training and technical assistance costs.

² **NDC Program Outcomes Calculations**

Number of open businesses: 292	Number of jobs created or retained: 822
222 owners surveyed	222 owners surveyed, 70 owners not surveyed
	403 employees for 222 businesses surveyed (1.815 per business)
70 owners not surveyed	127 additional employees (70 businesses not surveyed x 1.815)

(Of the 222 currently in business and surveyed by WRC, the largest percent attended the 1999 training (26 percent), followed by 17 percent in 1998, 16 percent in 1996 and 15 percent in 1995. 70 are open and not surveyed)

³ For perspective, findings from Rutgers University's Center for Urban Policy Research, 1998 report "Microenterprise Development as an Economic Adjustment Strategy." The costs of the programs in the Rutgers' study vary widely because, while they all provide loans, some do not provide training or technical assistance, or have other program differences. It is also important to keep in mind that this data is from only a small sample of programs and may not be reflective of all microenterprise programs.

The Aspen Institutes' "For Good Measure" report covering 2001:

Annual cost per client range from \$106 to \$33,175, with a median of \$2,068, and an average of \$3,529

Annual costs per participant range from \$81 to \$27,271, with a median of \$1,199, and an average of \$2,392

Clients receive loans and more intensive services. Participants receive fewer services and tend to be training attendees only.

⁴ In 2000, 30 percent of owners with employees didn't provide payroll tax information. In 2003, 42 percent of owners with employees didn't provide payroll tax information.

Profile of NDC-assisted business owners

NDC training cycle (Figure 3)

NDC has been training business owners since 1993, with two-thirds trained from 1998 through 2002. The highest percent of owners were trained in 2002 (20%), followed by 13 percent each trained in 1999 and 2000. Nine percent of surveyed owners did not receive any training.

Demographics of NDC-assisted business owners (Figure 4)

Respondent's gender, age and race/ethnicity

The NDC-assisted business owners surveyed are about equally divided between males and females, with 51 percent males and 49 percent female. They range in age from 24 years old to 69 years old, with an average age of 42. There are fewer very young and very old business owners since the last report, although the average age is about the same.

Business owners were asked to provide information on their racial and ethnic identity. Thirty-four percent are African American, 27 percent are White, 23 percent identified themselves as Latino/Latina/Hispanic, 6 percent are Hmong, and another 3 percent are Somali. Two percent each are Native American or generally of African descent. One percent each are Oromo, Asian American, or identified themselves otherwise. Fewer owners are White than in 2000 (34%).

Number in household

Household size of these business owners ranges from 1 to 14. The mean or average number of people per household is 3.5. Sixteen percent of business owners live alone, 23 percent with one other person, 36 percent with two to three others, and 25 percent live with four or more other people.

Education, training, and work experience of NDC business owners prior to NDC training or other assistance (Figure 5)

Education level at outset of training or other assistance

Overall, NDC-assisted business owners are quite well educated. Eighty-five percent of them have at least the equivalent of a high school diploma. Fifty-six percent have some education beyond high school, including 9 percent who have graduate degrees. The education level is unknown or doesn't apply for 10 percent of the owners.

Business education or training prior to NDC training or other assistance

Business owners were asked to specify about business education or training prior to NDC assistance. Nine percent report some level or type of previous business training, down from 20 percent in 2000.

Employment status at outset of NDC training or other assistance

Seventy-seven percent of NDC-assisted owners were employed when they began their NDC training, 61 percent employed full-time and 16 percent working part-time (either at their own business or by another employer). Two percent were unemployed prior to training, 2 percent received income related to their disability, and 4 percent gave other employment situations. The employment status before NDC assistance is unknown for 15 percent of the owners.

Financial status of NDC-assisted business owners at outset of training or other assistance (Figure 6)

At the beginning of assistance, NDC asks its owners their current annual income. For purposes of comparison with later income figures, these data were fit into pre-established monthly income categories. Nine percent of business owners reported an income of up to \$500 per month at the outset of assistance. Another 13 percent received from \$501 to \$1,163 per month. Ten percent had a monthly income from \$1,164 to \$1,500, 14 percent from \$1,501 to \$2,000, and 18 percent from \$2,001 to \$2,500. Fifteen percent had monthly incomes from \$2,501 to \$3,500, and 12 percent had incomes above \$3,500 per month. Ten percent of respondent did not know their income, refused to provide the information, or the information was unavailable for some other reason.

Five percent of survey respondents told us they were receiving AFDC, General Assistance or Cash assistance from MFIP when they began NDC training or other assistance.

NDC-assisted businesses

Current status of NDC-assisted businesses (Figure 7)

Number, type and age of NDC-assisted businesses

Based on information gathered during the evaluation process, 292 NDC alumni and other program participants are currently in business for themselves; 222 of them completed the WRC survey. Eighty-six percent of businesses surveyed received training from NDC, and the other 14 percent are part of an incubator or the Islamic financing program. Compared to the last study, a lower proportion of businesses surveyed are training only, and higher proportions are involved in other aspects of NDC programs.

Thirty-seven percent of those surveyed have started a new business, and 63 percent expanded an existing business. About the same proportion of owners have new businesses in this study compared to 2000 results.

Fifty-eight percent of businesses are service-oriented, 23 percent retail, 12 percent food service, 4 percent construction and 3 percent production.

Forty-five percent of businesses have been in operation five years or more. Another 29 percent have operated for one to two years, 22 percent have been in business from three to four years, and just 3 percent have been in business for less than a year. The average length of time in business has gone up just slightly from 4.8 in 2000 to 5.3 years in 2003, as would be expected.

Business space and bookkeeping service

Forty-four percent of the businesses are home-based (down from 57% in 2000), and 48 percent are located in leased commercial space (up from 37% in 2000). Nine percent own their own commercial spaces. Ten percent of business owners surveyed have moved from home to commercial-based businesses since their businesses began, and 6 percent have moved in the opposite direction, from commercial space to home. Fewer businesses changed the type of business space than changed in the 2000 report, where 17 percent had moved from home to commercial and 11 percent from commercial to home-based.

Thirty-five percent of business owners use some kind of monthly bookkeeping service, similar to the rate of use in 2000 (34%).

Loan sources and debt levels

Business owners were asked if they had received loans to finance their business from any of a number of specified sources. Thirty-three percent were using their credit cards, 25 percent received a loan from a friend or relative, 24 percent had loans from NDC itself, 24 percent had loans from a bank, 9 percent from a city program, and 8 percent had received loans from another non-profit agency (other than NDC). The largest change was in percent using credit cards for loans: from 24 percent in 2000 up to 33 percent currently. Seventy percent of businesses received a loan from at least one of these sources, a slight increase from the 66 percent who did in 2000.

Thirty-three percent of the business owners report having no debt (down from 43% in 2000), 15 percent owe less than \$5,000, and 20 percent owe \$5,000 to \$10,000. Nine percent each owe from \$10,001 to \$20,000 and from \$20,001 to \$50,000. Eleven percent owe more than \$50,000. The mean amount of reported debt is \$25,963 (up from \$18,809 in 2000), and the median is \$4,500 (slightly more than two times that of 2000), with a range from no debt to \$400,000, and a total combined debt of \$5,608,000.

Percent of business from within one mile

Forty-three percent of businesses report that 10 percent or less of their business comes from within one mile of their business location; 9 percent report receiving from 11 percent to 25 percent of their business from within one mile; 22 percent report receiving from 26 percent to 50 percent of their business from within one mile; and 22 percent of assisted businesses say more than half of their business comes from within one mile, all very similar to 2000 results.

Business expansion since NDC training or other assistance

Owners in business prior to their involvement with NDC were asked several questions about the degree to which their businesses have grown since NDC assistance.

Twenty-nine percent of the 139 surveyed owners already in business report that they have expanded their hours of business since NDC assistance (9% expanded by up to 10 hours per week relative to pre-training hours; 10% lengthened business hours by 11 to 20 hours per week, and 8% increased by more than 20 hours a week.) This represents 18 percent of all owners surveyed, and is down slightly from 25 percent in 2000.

Thirty percent of owners already in business when assisted by NDC have hired more employees since NDC assistance (25% expanded by five or fewer employees, 4% by 6 to 10 more, and 1% by more than 10 employees). This represents 19 percent of all owners, the same as in 2000.

Just over half of these owners (58%) report having increased their monthly gross revenues since receiving NDC assistance (5% by less than \$300, 8 percent by \$300 to \$599, and 12% by \$600 to \$1,999. Twenty-two percent increased revenues by \$2,000 or more per month and 12% said they had increased revenues but did not know, or refused to say, by how much.) Thirty-seven percent of all owners expanded their monthly gross revenue, similar to the 2000 results (38%).

Seventeen percent expanded from a home-based business to running their business in a commercial base or store front since their experiences with NDC, representing 10 percent of all owners (similar to the 11% in 2000).

Fifteen percent of the owners already running businesses (10% of all owners) expanded to an additional location. Sixty percent of these owners have an additional business in St. Paul, and 25 percent do in Minneapolis (15% in the Mercado). Five percent each expanded in Shakopee, St. Louis Park, Cottage Grove, or Edina.

Thirty-six percent have improved or upgraded their home, and 25 percent moved their household to a different neighborhood since receiving NDC assistance. These figures represent 16 percent and 23 percent of all owners respectively.

NDC-assisted business owners

Current employment and financial status of NDC-assisted business owners (Figure 8)

Employment status of NDC-assisted business owners

Sixty-nine percent of business owners surveyed work at their own business full-time (up from 61% in 2000), and 26 percent work part-time; the remaining 5 percent work seasonally (down from 10% in 2000). Nineteen percent of owners work full-time at another job (down from 24% in 2000), 17 percent work part-time, and 1 percent work seasonally at another job.

Twenty-eight percent of the NDC-assisted business owners surveyed co-own their business with at least one other person (24% have one co-owner, 2% have two co-owners and 1% has three or more co-owners).

Financial goals of NDC-assisted business owners

Seventeen percent of business owners report meeting their financial goals *quite a bit* (down from 23% in 2000); 39 percent report meeting their financial goals *somewhat*; 21 percent report meeting their financial goals *a little*; and 23 percent say that their business is *not at all* (up from 17% in 2000) meeting their financial goals.

Current level of gross monthly revenues

Four percent of business owners report no sales to date, and 2 percent report less than \$50 in gross monthly revenues to date. Nine percent of owners each report from \$50 to \$500 and from \$501 to \$1,000 in gross monthly revenues. Fourteen percent report from \$1,001 to \$2,000, 23 percent report from \$2,001 to \$5,000, and 29 percent report more than \$5,000 in gross monthly revenues. Eleven percent of business owners did not know or refused to provide information on monthly revenue.

Months to profitability

Twenty-six percent of NDC-assisted business owners have not yet made a profit from their businesses, followed by 23 percent of owners who made a profit in under six months. Eighteen percent required from six months to a year. Eleven percent of owners waited about 12 to 18 months to see financial profits, 8 percent took more than two years to reach profitability, and another 5 percent required around two years to make a profit. Nine percent didn't know or didn't respond to the question.

Unpaid family employees

Twenty percent of business owners surveyed have at least one family member who works for the business without pay, down from 37 percent in 2000. The mean number of unpaid family workers is 1.9, the median is 1, and the total for surveyed owners is 117 (down from 149 in 2000).

MFIP status

Owners who receive AFDC, General Assistance or Cash Assistance from MFIP decreased slightly from 5.4 percent at the outset of NDC assistance to 4.5 percent at the time of the interview. In 2000, 2.6 percent were on AFDC/MFIP at the outset of training, and just 1.3 percent were at the time of survey.

Household income brought in by business

Just over a quarter of business owners (26%) bring home up to 10 percent of their monthly household income from their businesses, down from 31 percent in 2000. Ten percent bring home 11 to 30 percent, 18 percent bring home 31 to 50 percent, 16 percent bring home 51 to 90 percent, and 23 percent bring home 91 to 100 percent (up from 16% in 2000) of their household income from their business. Seven percent didn't know or didn't respond to the question. On average, 49 percent of household income is brought in by the business. The median figure is 50 percent (up from 40% in 2000).

Expansion of business income

Forty-seven percent of business owners already in business prior to NDC assistance increased their monthly business income since NDC assistance (1% increased income by less than \$200 per month, 13% by \$200 to \$500, 14% by \$501 to \$1,500, and 10% by more than \$1,500). Nine percent of owners said they increased their income but did not know or would not say by how much. Slightly more owners reported increasing gross monthly revenue (58%) than those that reported increasing their monthly business income. These businesses represent 29 percent of all owners.

Business, commercial, and personal insurance

Sixty-six percent of owners have general liability or umbrella coverage (up from 60% in 2000), 47 percent have commercial property insurance (up from 35% in 2000), and 31 percent have workers' compensation.

Seventy-four percent of owners have health insurance.

Primary income source

For 52 percent of owners, their primary source of income is their business (up from 44% in 2000). The remainder obtains their income from other sources, 20 percent from another job of theirs, 19 percent from their spouse or partner's job (down from 24%), and 8 percent from another source.

Household income prior to training and now

Prior to beginning NDC training, owners surveyed for this study were asked to report their household income. Owners were also asked to report household income during the 2003 survey. Currently, more owners are in the higher income ranges than reported prior to NDC training.

Of the 190 owners who received training, prior to NDC involvement, 9 percent of owners made under \$500 per month. Currently, 3 percent of owners fall into that category. Fourteen percent of owners had incomes \$501 to \$1,163 before NDC training; 6 percent now fall into that category. Eleven percent made \$1,164 to \$1,500 prior to training; 5 percent now do. Sixteen percent fell into the \$1,501-\$2,000 per month category pre-training, and 10 percent currently do. Eighteen percent received from \$2,001 to \$2,500 before training; now, 8 percent are in that range. Eleven percent made between \$2,501 and \$3,000 prior to NDC and 13 percent do now. While just 5 percent made from \$3,001 to \$3,500 prior to training, 14 percent now do. The largest difference is in the highest income category: more than \$3,500 per month. Only 14 percent of the business owners fell into that range before training; 34 percent do currently. The percent who did not know or refused to answer this question was 3 percent prior to training and 8 percent in the current study.

A similar pattern of income increase exists for all surveyed businesses, with 12 percent making more than \$3,500 before working with NDC compared to 33 percent currently. Ten percent of owners didn't know or didn't respond to the questions.

Business goals of NDC-assisted business owners (Figure 9)

For the most part, NDC-assisted business owners have modest business growth goals. Sixty-four percent aspire to have no more than five employees, for example, (similar to the 62% in this category in the last WRC evaluation of NDC).

Owners would like to have an average of 2.7 locations. Forty-five percent of owners would like to have more than one location. If businesses meet their goals, there would be a total of 582 sites in the future. Owners have lower goals regarding the number of

locations compared to the previous report. In 2000, if all businesses had met their stated goals, they would have nearly 797 business sites at some point in the future.

Owners have goals of employing six people on average at their businesses. Eighty-three percent of owners would like to have employees. If they meet their goals, they would employ a total of 1,252 people in the future. Current employee goals are lower compared to in 2000, when they expected to hire a total of 2,181 people and average 10 per business.

In the current study, 27 percent of owners expect to gross under \$5,000 per month. Sixteen percent expect \$5,000 to \$9,999 in gross revenues. Twelve percent of owners aspire to monthly revenues of \$10,000 up to \$24,999. Twenty-three percent of NDC-assisted business owners have monthly revenue goals of \$25,000 or more. Twelve percent didn't know or didn't respond to the question. Results are very similar to the 2000 study. (The range of revenue goals is extremely wide, from \$0 per month to \$500,000, and 12% of owners did not respond to this question.)

Just about four out of five (82%) of owners have other plans for business growth besides those described above (up from 74% in 2000). Multiple responses were gathered and grouped into categories, and respondents had a wide variety of plans including: 34 percent who want to offer new products or services or start a new business, 24 percent who want to increase the number of job sites or spaces, and 17 percent who want to expand into new markets, such as through advertising.

Twenty-three percent of assisted business owners believe they would require \$10,000 or less in additional capital to achieve their business goals, with 37 percent stating a need for between \$10,001 and \$50,000 and 34 percent for more than \$50,000 (up slightly from 28% in 2000). Seven percent didn't know or didn't respond to the question. (Currently, only 11% of owners have business debts of over \$50,000.)

Ways NDC can help business grow

NDC-assisted business owners were asked to suggest ways NDC can help their businesses grow. Multiple responses were allowed and grouped into a number of different categories as owners have a wide variety of suggestions. Fifty percent want NDC to provide financial assistance and support such as loans, financial assistance, insurance, and help with credit. Twenty-six percent of owners would like help with marketing, networking, and/or business referrals. Twenty-two percent would like technical assistance. Twelve percent would like more classes and training, and 7 percent say they are not looking to grow so they don't need help. The remainder of owners had more individual support needs particular to their own business situation or goals.

Personal satisfaction

Forty-eight percent of NDC-assisted business owners report that being in business is meeting their personal goals *quite a bit*, about the same as in 2000. Thirty percent report being in business is meeting their personal goals *somewhat*. Twelve percent are meeting their personal goals *a little*, and 10 percent are *not at all*. Interestingly, financial success and personal satisfaction do not seem to be closely connected: 48 percent say they are meeting their personal goals *quite a bit*, while just 17 percent say they are meeting their financial goals at the same level.

Neighborhood impacts of NDC-assisted businesses

Location and building occupancy of NDC-assisted businesses (Figure 10)

Neighborhood/community location

Businesses owned by NDC-assisted owners are located in 12 neighborhoods in Minneapolis and St. Paul, 12 ethnic/racial sub-groups, and four business specialty programs. Of those responding to the survey, 38 percent are in St. Paul, and 23 percent are in Minneapolis, 25 percent work with ethnic programs in both cities, and 13 percent work with business specialty programs.

Of the non-ethnic St. Paul locations represented, more owners are in the Selby (9%), Frogtown (6%), Dayton's Bluff (6%), Hamline Midway (6%), and Riverview (6%) areas. Owners (non-ethnic) are located in four areas of Minneapolis, with the highest percent in the Northside (12%) and Phillips (5%) areas. Owners connect with a wide variety of ethnic-focused organizations, with the highest percent of working with the Latino-Minneapolis program (10%). One to 2 percent of owners work with the remaining 11 other ethnic programs.

Five percent of owners work with Recipes, 4 percent with the Mercado, 3 percent with the Midtown Business Center, and 1 percent with the Islamic Financing program and no neighborhood or other ethnic program.

Current business occupancy status

Twenty-nine percent of NDC-assisted businesses occupy a building that was formerly vacant, and 19 percent of businesses are in spaces that were rehabbed so that their businesses could move in. Five percent are in spaces that were substantially rebuilt in order for the business to move in, resulting in neighborhood blight removal.

The 9 percent of business owners who own their buildings report total annual property tax payments of \$56,083, a 16 percent increase in payments from the previous study. The 48 percent of business owners who lease commercial space (up from 37% in 2000) pay total annual rent of \$1,380,516, with an average monthly rent figure of \$1,150. The median rent figure is \$700 per month. Forty percent who lease space pay less than \$600 per month.

Neighborhood employment impacts of NDC-assisted businesses (Figure 11)

Number and profile of persons employed by NDC-assisted businesses

Sixty-three percent of NDC-assisted businesses are sole proprietorships and have no employees other than the owners (up from 52% in 2000). The remaining businesses employ from 1 to 27 individuals with an average of 1.8 persons employed per business (down from the previous average of 3.1). NDC-assisted businesses employ a total of 403 individuals, not counting owners, down from 720 in the previous study.

Seventeen percent of all paid employees are family members, and 48 percent are neighborhood residents (down from 67% in the earlier study). Twenty percent of all NDC-assisted businesses report having a total of 117 family members working for their businesses without pay, down from 149 in 2000.

Forty-seven percent of all employees work full-time (40 or more hours per week), and 35 percent work 20 to 39 hours a week. Thirteen percent of all employees work 10 to 19 hours, and just 5 percent work fewer than 10 hours per week. Hours worked are about the same as in the previous study.

Thirty-eight percent of employees are Latino/Chicano/Hispanic (up from 15% in 2000), 25 percent are non-Hispanic Whites, 23 percent of all employees are African-American, 2 percent are Hmong (down from 17% in 2000), 3 percent other Asian, 4 percent Native American/Indian, and 2 percent other. The ethnicity of employees has changed quite a bit since the previous study in 2000, especially with Latino and Hmong. This distribution is slightly different from the owners. More employees are Latino/Chicano/Hispanic than owners (23%), while more owners are African American (34%) than employees. Differences between the percentage of owners and employees in other racial groups were quite small.

Fifty-seven percent of assisted business employees earn less than \$10 an hour. Twenty-nine percent earn between \$10 and \$20 per hour. Eight percent earn over \$20 an hour.

Of the 83 assisted businesses with employees, 83 percent report providing some form of employee training (up from 73% in 2000). Of these businesses, 59 percent provide in-service or on-the-job training, 22 percent provider customer service training, and 13 percent provide food service certification. Ten percent pay to send employees to outside training programs. Owners report much more varied types of employee training compared to the 2000 study.

Five percent of businesses with employees provide fully-paid health insurance, and 12 percent provide partially-paid health insurance. Eighteen percent provide paid sick days off (down from 26% in 2000), 34 percent provide paid vacation days (up from 2% in 2000), and 29 percent provide paid holidays to employees (up from 21% in 2000). Six percent of businesses have a retirement plan for their employees.

Fourteen percent of businesses with employees pay \$500 or less in monthly payroll (down from 29% in 2000), followed by 21 percent with payrolls between \$501 and \$2,500 per month, 19 percent paying \$2,501 to \$5,000, and 29 percent over \$5,000. Seventeen percent didn't know or didn't respond to the question. The range of monthly payrolls among business owners with employees is \$0 to \$65,000, with a mean of \$7,491 (compared to \$5,563 in 2000) and a total of \$516,884 each month.

Of the 83 businesses with employees, 18 percent have monthly payroll taxes of under \$100 or less. Eleven percent pay between \$101 and \$500, 10 percent pay between \$501 and \$1,000, and 19 percent pay more than \$1,000. Forty-two percent of business with employees either didn't know what they paid or refused to answer the question. Monthly payroll taxes from NDC-assisted businesses with employees total \$84,069, and range from \$0 to \$14,000. In 2000, the total and range were higher than 2003, \$131,464 and \$0 to \$30,000 (30% were missing in 2000).

Forty-one percent of businesses have had subcontractors or cash workers in the past year. The total dollar value of these workers is just over 1.2 million dollars, down slightly from 2000 (1.6 million).

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

Estimated dollar amount spent within neighborhood on materials and supplies

Twenty-five percent of assisted business owners report that they spend \$0 on materials and supplies within their neighborhood, up from 16 percent in 2000. Eleven percent of assisted business owners report spending less than \$100 each month. Thirty-one percent of assisted business owners report spending \$100 to \$499 a month and 14 percent spend \$500 to \$1,000 per month. The portion spending over \$1,000 monthly on neighborhood materials declined slightly from 19 percent in 2000 to 13 percent in 2003. Seven percent either didn't know or didn't respond to the question. The average amount reportedly spent on materials and supplies within the neighborhood decreased, from \$1,110 in the previous reporting period to \$804 currently. The total amount of neighborhood expenditure is over \$165,674 per month, a decrease from the 2000 level of \$238,541.

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

Sixty percent of NDC-assisted business owners report contributing some time, money or in-kind support to neighborhood events or activities in the past 12 months, the same as in 2000. Of these, 40 percent report contributing products or services; 50 percent report helping with fundraising or giving cash donations (up from 41% in 2000); 53 percent say they contributed time and/or assistance (up from 38% in 2000).

When asked to assign a dollar value to their in-kind or cash donations to neighborhood events or activities, 41 percent of all owners say they made no contributions or the contributions had no value, and 2 percent made contributions valued at less than \$100. Eleven percent report their contributions in the past year were from \$100 to \$200. Another 12 percent report contributing from \$201 to \$500, and a substantial 26 percent report contributions of over \$500, similar to the previous report. Eight percent did not answer this question. The range of reported annual contributions is from \$0 to \$200,000, with a total of \$441,357, up from \$334,693 in 2000.

Business owners as role models

Business owners were asked if they felt they were role models for other community members, and if so, how? Eighty-three percent believe they do serve as role models. Of those who say they serve as role models, 75 percent say they serve as role models by helping to educate and by providing a positive model for others (up from 55% in 2000). Eighteen percent believe they serve as role models by providing time and assistance. Thirteen percent serve as role models by providing needed services or products, and another 13 percent by promoting business ownership or stabilizing the community financial base.

Leadership/gathering places/connections

Business owners were also asked if they felt they participated in their neighborhood as leaders in any way. Thirty-five percent report they do. Of these owners, 69 percent say they provide leadership by providing time and assistance in their neighborhoods (up from 23% in 2000), 17 percent by serving as an inspiration or mentor to others, and 16 percent say they are group or board leaders.

Twenty-seven percent of business owners say they feel their business serves as a place where community members gather to meet and talk or hang out, and 59 percent feel connected with neighborhood groups and associations, about the same as in 2000 (62%).

General neighborhood contributions

Business owners were also asked more generally what their businesses contributed to their neighborhoods. Multiple responses were recorded and grouped into categories. Thirty-eight percent say they contribute by providing needed and affordable services, 16 percent say they give in-kind or cash contributions, 12 percent say they didn't contribute to their neighborhood (down from 16%). Eleven percent each say they either help beautify the neighborhood by maintaining their buildings, feel they serve as an inspiration to others, or volunteer time and assistance to others in the neighborhood.

Owners' views of NDC assistance (Figure 13)

The survey included specific questions about business owners' views of NDC's assistance and the usefulness of the help they received. This section describes their overall responses and highlights differences among owners assisted through the Midtown Business Center, the Mercado Central, and through training only.¹

Beneficial assistance from NDC

Business owners were asked to think about NDC's assistance and what has been the most beneficial to them. Responses were grouped into categories, and multiple responses were allowed. Overall, 44 percent of owners say training was most beneficial, followed by technical assistance (21%). Loans along with encouragement, advice, and support were also common at 16 percent each.

Training (45%) is the most beneficial according to training alumni, followed by technical assistance (20%). To owners in the Midtown Business Center, the incubator setting (four out of seven) is most helpful. Owners in the Mercado Central say training (46%), followed by technical assistance (27%) are most helpful. Owners had much more varied responses about beneficial NDC services than in the prior report, especially training participants.

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. Fifty-one percent of NDC-assisted owners said their business is as successful as it is today *somewhat* because of NDC's assistance, 25 percent said their business is *no better or no worse off* due to NDC, and 23 percent said their business is as successful as it is today *largely* because of NDC's assistance. Just one business owner said that their business would be doing much better today if it were not connected with NDC. The 2000 and 2003 surveys had similar results overall.

- The largest portion of Mercado Central owners say their business is as successful as it is today *somewhat* because of NDC, 68 percent, higher than any other group. Fewer Mercado Central owners say they are *no better or no worse off* due to NDC than other groups, just 9 percent.
- Training participants view's mirror overall results.

¹ The three Islamic Financing respondents are included in the total. Their responses are not reported separately because of the small number responding.

- MBC participants are about evenly split between those that say they are successful *somewhat* (three out of seven) because of NDC and *no better or worse off* (four out of seven). No MBC owners say they are successful as they are today *largely* because of NDC.

Based on all NDC-assisted businesses, the most common explanations for those that say their business is successful *largely* due to NDC given are: education, training or classes (35%); helped financially (23%); and that they received needed help to get their business going (15%). The top explanations for those who are successful *somewhat* due to NDC are that NDC provided education, training, or classes (20%); business advice and management skills (17%); receiving help with their business plan (16%); and general help (16%).

Top explanations for those that say their business is *no better or worse off* due to NDC are: NDC provided no help or was not helpful with follow-up or marketing advice (29%); NDC provided general help (19%); NDC's education, training, or classes was helpful (12%); they got help with their business plan (12%), and they did not take advantage of the help offered through NDC (12%).

Business advice from NDC

Forty-two percent of NDC-assisted owners say that they have used the business advice they received from or through NDC *a lot*. Thirty percent say they have used it *some*, followed by 16 percent who have used business advice *a little*, and 12 percent who have *not* used NDC's advice *at all*. These results are very similar to 2000.

- A larger proportion of owners in the Mercado Central report they have used NDC's business advice *a lot* (59%) than do owners in the Midtown Business Center (1 out of 7) or the training alumni (41%).
- Midtown Business Center owners had the highest percent who have not used NDC advice at all, four out of seven.

Owners were also asked to provide reasons they responded as they did. Business owners were asked what advice has been most helpful for those that said *a lot* or *some*, and those that responded that they used NDC's advice *a little* or *not at all* were asked why that was the case. For those that said *a lot*, the most helpful advice has been bookkeeping, accounting, and financial advice (38%), business development advice (31%), and marketing and advertising (21%). The most helpful advice for those that said *some* fell in the same three categories, just in different order. For 34 percent of those saying *some*, business development advice was most helpful (34%), followed by marketing and advertising (23%), and bookkeeping, accounting, and financial advice (20%).

For those that said they used NDC business advice only *a little*, the two most common reasons they gave were that it didn't apply to their business (27%) and that they learned something from NDC, but haven't had a chance yet to use the knowledge (23%). In addition, 17 percent said NDC provided no new advice.

For those that did *not* use NDC's advice *at all*, the most common reason they gave was that they haven't gotten enough advice or NDC didn't follow through with offers for advice (32%), NDC didn't provide any new information (16%), and that NDC did not help them in general (16%).

Prior business ownership

Sixty-seven percent of respondents have prior experience running a business before getting involved with NDC. Some variation exists by type of NDC involvement, with five out of seven MBC owners, 59 percent of Mercado owners, and 68 percent of training owners having prior experience.

Respondents with prior business experience were asked about what made their NDC experience different. More than one response was allowed and then grouped into categories, with a variety of responses given. Of those that have tried to run a business before, 20 percent said NDC provided guidelines or a format for them to work from in running their business; 19 percent said they got general knowledge and help; 18 percent said their experience is not different; and 10 percent said the bookkeeping, accounting, and financial advice was different.

Business profile by type of NDC assistance (Figure 14)

The surveyed businesses were divided into three main groups, Midtown Business Center (MBC) incubator, the Mercado Central, and other NDC training programs. The following section profiles businesses in each group, and highlights differences among the groups.

Midtown Business Center

Seven out of 11 businesses in the MBC incubator program responded to the survey. All seven MBC businesses surveyed are services. None of the seven businesses completed NDC training programs. More owners are male (5) than female (2).

MBC businesses have a total of 36 employees. They account for 9 percent of all employees, and 3 percent of all businesses surveyed. Thirty-three percent of employees are neighborhood residents (down from 75%). These businesses have higher proportions of White (42%) and African American or Black (33%) employees. In addition, 11 percent are Hmong. Sixty-one percent of employees work part-time. The businesses have a total payroll of \$108,000 each month, or \$3,000 per employee, the highest of the three groups. Owners have been running their businesses for an average of 3.3 years. MBC businesses have goals to increase employees by an average of 14 per business, with a total of 99 new employees for all businesses. Owners estimate that it would take an average of \$97,157 per business to achieve this and other goals for the future.

The average debt for these businesses is \$10,286 (less than half of the \$22,000 average in 2000), and the average rent is \$582, both the lowest of the three groups. None of the businesses received loans from a city program or other non-profit. Three of the seven have yet to make a profit, with the rest making a profit in 6 to 12 months. One of the seven has another job. Five of the seven expanded an existing business since being involved with NDC and one of them moved from a home-based to commercial-based business.

None of the owners believe that their business serves as a place where community members gather to meet and talk.

Mercado Central

Twenty-two out of 36 businesses in the Mercado Central responded to the survey. Forty-six percent (10) of businesses are retail, 27 percent (6) are food service, and 27 percent (6) are service. Fifty-nine percent of owners are male (13) and 41 percent of owners are female (9). Owners in the Mercado Central incubator may also take other NDC training

programs. Fifty-five percent (12) completed ethnic training programs, 41 percent (9) did not complete NDC training, and 6 percent (1) completed the Recipes program.

Mercado Central businesses employ a total of 73 people (up from 59 in 2000), 27 percent of which are neighborhood residents (down from 78% in 2000). Mercado Central participants account for 10 percent of all businesses and 18 percent of all employees (up from 8% in 2000). Ninety-six percent of employees are Latino/Chicano/Hispanic. Twelve percent of employees work part-time, with the majority working full-time, the same as in 2000. The businesses have a total payroll of \$134,444 or \$1,842 per employee. Owners have been running their business for an average of 3 years. Owners would like to increase the number of employees by an average of seven, and this goal, in combination with other goals, would take an average of \$118,238 per business.

The average debt for these businesses is \$22,132, and the average rent is \$1,108 per month. Fourteen percent of these owners have loans from a city program, and 9 percent do through another non-profit. Fourteen percent in this group have not yet made a profit, the lowest of the three groups. Thirty-two percent made a profit in 6 to 12 months, 23 percent made a profit in less than six months, and 14 percent have not yet made a profit, the lowest of the three groups (14% of Mercado owners didn't know or didn't respond to the question). Twenty-three percent of owners have another job.

Owners are evenly divided between those that expanded an existing business or started a new business since NDC assistance. Of owners that expanded a business, 18 percent (2) moved from a home-based to commercial-based business since NDC assistance. Mercado Central owners have the highest rate who says their business serves as a place for community members to gather and talk, 41 percent.

NDC training

One hundred ninety out of 231 alumni responded to the survey. Sixty-one percent of businesses are service, 21 percent retail, 11 percent food service, 4 percent are construction, and 3 percent production. Equal percentages of owners are male and female. Seventy-three percent completed neighborhood training, 21 percent completed ethnic training, and 6 percent were in the Recipes program.

These businesses employ a total of 293 people (down from 515 in 2000), of whom 56 percent are neighborhood residents (down from 66% in 2000), the highest of the three groups. This group accounts for 85 percent of all businesses and 73 percent of all employees. About 30 percent of employees are either White, African American or Black, or Latino. Fifty-six percent of employees work part-time. The total payroll per month for these businesses is \$273,840, or \$934 per employee. On average, these businesses have operated the longest, six years.

The average debt for these businesses is \$27,275, the highest of the three groups (up from \$18,264 in 2000). The average rent is \$1,193 per month. Twenty-seven percent have not yet made a profit, followed by 24 percent who made a profit in less than six months. More training participants have taken over 18 months to make a profit than those in other groups, 27 percent (9% of training owners didn't know or didn't answer the question). Eight percent have loans from a city program, and 7 percent from another non-profit agency. Thirty-eight percent of owners also have another job, the highest of the three groups.

Sixty-four percent of owners expanded an existing business with the help of NDC. Of owners who expanded a business, 16 percent expanded from a home-based to a commercial-based business since NDC assistance. Twenty-seven percent believe their businesses serve as a place where community members gather to meet and talk.

NDC evaluation results: Figures 3-14

3. NDC training cycle

	Business owners (N=222)
1993	1%
1994	4%
1995	8%
1996	9%
1997	5%
1998	9%
1999	13%
2000	13%
2001	11%
2002	20%
2003	<1%
No training	9%

4. Demographic profile of NDC-assisted business owners

Gender	Business owners (N=222)
Male	51%
Female	49%
Age	
18 – 25	1%
26 – 30	13%
31 – 35	13%
36 – 40	22%
41 – 45	19%
46 – 50	15%
51 – 55	12%
56 and older	6%
Refused/unknown	1%
Mean	41.9
Median	41.0
Range	24-69
Race/ethnicity	
African American	34%
White	27%
Latino/Hispanic	23%
Hmong	6%
Somali	3%
African	2%
Native American	2%
Oromo	1%
Asian American	1%
Other	1%
Number in household	
Single person	16%
Two persons	23%
Three persons	18%
Four persons	18%
Five or more persons	25%
Mean	3.5
Median	3.0
Range	1-14

5. Education, training and work experience of NDC-assisted business owners prior to NDC training or other assistance

Education level at outset of training or other assistance	Business owners (N=222)
Less than high school	5%
High school/GED	29%
Post-secondary	47%
Graduate training	9%
Unknown/NA	10%
Prior business training	
Yes	9%
Employment status at outset of training or other assistance	
Full-time	61%
Part-time	16%
Unemployed	2%
Disabled	2%
Other	4%
Unknown/NA	15%

6. Financial status of assisted business owners at outset of NDC training or other assistance

Monthly income reported by business owners at outset of training or other assistance	Business owners (N=222)
<\$100	6%
\$100-500	3%
\$501-1,163	13%
\$1,164-1,500	10%
\$1,501-2,000	14%
\$2,001-2,500	18%
\$2,501-3,000	10%
\$3,001-3,500	5%
More than \$3,500	12%
Refused/don't know/unknown	10%
AFDC/MFIP status at outset of training or other assistance	5%

7. Current status of NDC-assisted businesses

Number of NDC-assisted owners currently in business	292
Number of businesses surveyed	222
Number of training businesses surveyed	190
Number of other businesses surveyed	32
New or expanded business	(N=222)
New businesses	37%
Existing businesses (expanded)	63%
Types of businesses	(N=222)
Service	58%
Retail	23%
Food	12%
Construction	4%
Production	3%
Age of business	(N=222)
<1 year	3%
1-2 years	29%
3-4 years	22%
5 or more years	45%
Don't know/refused	1%
Mean	5.3 years
Median	4.0 years
Range	0-30 years
Business space	(N=222)
Home-based business	44%
Leased commercial space	48%
Owned commercial space	9%
Both home based and commercial	1%
Percent of current businesses changing since opening	(N=222)
From home-based to commercial	10%
From commercial to home-based	6%
Uses monthly bookkeeping service	35%

7. Current Status of NDC-assisted Businesses (continued)

Percent of businesses who received loans from: (multiple loans possible)	(N=222)
NDC	24%
Credit Card	33%
Bank	24%
Relative or Friend	25%
Another non-profit agency	8%
City program	9%
Other	3%
Total amount of business debt	(N=222)
\$0	33%
Less than \$5,000	15%
\$5,000 to \$10,000	20%
\$10,001 to \$20,000	9%
\$20,001 to \$50,000	9%
More than \$50,000	11%
Don't know/refused	3%
Mean	\$25,963
Median	\$4,500
Range	\$0-\$400,000
Total amount of business debt	\$5,607,912
Percent of business from within one mile	(N=222)
10% or less	43%
11 – 25%	9%
26 – 50%	22%
51 – 75%	10%
76 – 100%	12%
Don't know/refused/missing	5%

7. Current status of NDC-assisted businesses (continued)

Since the NDC training or moving to an incubator, percent of owners who expanded (asked if in business prior to NDC involvement):	Expanded (N=139)	All (N=222)
Hours of business	29%	18%
By up to 10 hours per week more	9%	6%
By 11 to 20 hours per week	10%	6%
By more than 20 hours per week	8%	5%
Don't know	1%	1%
Mean	20	
Median	20	
Number of employees	30%	19%
By up to 5 more	25%	16%
By 6 to 10 more	4%	3%
By more than 10	1%	<1%
Mean	4	
Median	3	
Monthly gross revenues	58%	37%
By less than \$300	5%	3%
By \$300 to \$599	8%	5%
By \$600 to \$1,999	12%	7%
By \$2,000 or more	22%	14%
Don't know/refused	12%	7%
Mean	\$3,759	
Median	\$1,500	
Moved from home-based to commercial business	17%	10%

7. Current status of NDC-assisted businesses (continued)

Since the NDC training or moving to an incubator, percent of owners who expanded (asked if in business prior to NDC involvement):	Expanded (N=139)	All (N=222)
Expanded to additional location –multiple responses possible (N=20)	15%	10%
St. Paul (neighborhood unspecified)	20%	
St. Paul-Summit University	10%	
St. Paul-Payne/Phalen	10%	
St. Paul-Thomas Dale	5%	
St. Paul-West Side	10%	
St. Paul-Hamline Midway	5%	
Minneapolis-downtown	5%	
South Minneapolis	5%	
Mercado	15%	
Shakopee	5%	
St. Louis Park	5%	
Cottage Grove	5%	
Edina	5%	
Internet		5%
Additional shows/events		5%
	(N=139)	(N=222)
Moved household to different neighborhood	25%	16%
Improved or upgraded your home (whether or not moved)	36%	23%

8. Current employment and financial status of NDC-assisted business owners

Employment status of NDC-assisted business owners	(N=222)
Works full-time at own business	69%
Works part-time at own business	26%
Works seasonal at own business	5%
Works full-time at another job	19%
Works part-time at another job	17%
Works seasonal at another job	1%
Percentage of business owners with co-owner(s)	28%
With one co-owner	24%
With two co-owners	2%
With three or more co-owners	1%
How much owners report meeting financial goals and expectations	(N=222)
Quite a bit	17%
Somewhat	39%
A little	21%
Not at all	23%
Current level of gross monthly revenues of current businesses	(N=222)
No sales to date	4%
Less than \$50	2%
\$50 to \$500	9%
\$501 to \$1,000	9%
\$1,001 to \$2,000	14%
\$2,001 to \$5,000	23%
More than \$5,000	29%
Don't know/refused/unknown	11%
How many months to make a profit	(N=222)
Have not yet made a profit	26%
Less than 6 months	23%
6 to 12 months	18%
About 12 to 18 months	11%
Around 2 years	5%
More than 2 years	8%
Don't know/refused/unknown	9%

8. Current employment and financial status of NDC-assisted business owners (continued)

Has family member who works for business pay	20%	
Total number of family members working without pay	117	
Mean number of family members working without pay	1.9	
Median number of family members working without pay	1.0	
On AFDC/MFIP at outset of training	5.4%	
On MFIP at time of interview	4.5%	
Percent of monthly household income brought home from business (includes reported and unreported income)	(N=222)	
Up to 10%	26%	
11 to 30%	10%	
31 to 50%	18%	
51 to 90%	16%	
91 to 100%	23%	
Don't know/refused	7%	
Mean	49%	
Median	50%	
Since the NDC training or moving to an incubator, percent of owners who expanded monthly income from business (asked if in business prior to NDC involvement)	Expanded (N=139)	All (N=222)
Percent expanding	47%	29%
By less than \$200	1%	<1%
By \$200 to \$500	13%	8%
By \$501 to \$1,500	14%	9%
By more than \$1,500	10%	6%
Don't know/refused	9%	6%
Mean	\$1,487	
Median	\$1,000	
Business, commercial, and personal insurance	(N=222)	
General liability or umbrella coverage	66%	
Commercial property insurance	47%	
Workers compensation	31%	
Has health insurance	74%	

8. Current employment and financial status of NDC-assisted business owners (continued)

Primary income source	(N=222)
Your business	52%
Another job of yours	20%
Your spouse or partners job	19%
Another source:	8%
Children/other household members	2%
Public Assistance/MFIP	<1%
Social Security	1%
Investments	<1%
Disability	1%
Unemployment	1%
Pension	<1%
Foster care	<1%
Renter	1%
Refused/don't know	1%

Monthly income reported by business owners (of those receiving NDC training-N=190)	Prior to NDC	Currently
Under \$100	6%	1%
\$100 to \$500	3%	2%
\$501 to \$1,163	14%	6%
\$1,164 to \$1,500	11%	5%
\$1,501 to \$2,000	16%	10%
\$2,001 to \$2,500	18%	8%
\$2,501 to \$3,000	11%	13%
\$3,001 to \$3,500	5%	14%
More than \$3,500	14%	34%
Don't know/refused	3%	8%

Monthly income reported by business owners (all business owners N=222)	Prior to NDC	Currently
Under \$100	6%	<1%
\$100 to \$500	3%	1%
\$501 to \$1,163	13%	6%
\$1,164 to \$1,500	10%	5%
\$1,501 to \$2,000	14%	10%
\$2,001 to \$2,500	18%	8%
\$2,501 to \$3,000	10%	14%
\$3,001 to \$3,500	5%	13%
More than \$3,500	12%	33%
Don't know/refused	10%	10%

9. Business goals of NDC-assisted business owners

Gross monthly revenue goals	(N=222)
Less than \$5,000	27%
\$5,000 to \$9,999	16%
\$10,000 to \$14,999	12%
\$15,000 to \$24,999	10%
\$25,000 or more	23%
Don't know/refused/no response	12%
Mean	\$25,712
Median	\$10,000
Range	\$0-\$500,000
Total	\$5,013,867
Number of employees (goal)	(N=222)
0	17%
1-2	23%
3-5	24%
6-10	19%
11-20	8%
More than 20	3%
Don't know/refused/no response	6%
Mean	6.0
Median	3.0
Range	0-100
Total	1,252
Number of locations (goal)	(N=222)
0	9%
1	42%
2	22%
3	10%
4 or more	13%
Don't know/missing	4%
Mean	2.7
Median	1.0
Range	0-50
Total	582

9. Business goals of NDC-assisted business owners (continued)

Business owners with other plans or expectations for business growth	82%
Other plans: (multiple responses grouped into categories)	(N=175)
New product/business/service	34%
Increase number of job sites/spaces	24%
Expand into new markets (advertising)	17%
Increase revenues/sell more products	14%
Hire more employees/subcontractors	10%
Relocate (to better area) or move to commercial space	9%
Purchase additional equipment/stock	7%
General growth (unspecified)	7%
Increase client/customer base	7%
Get more education or training for myself and/or employees	5%
Change personal responsibility/role in business	3%
Build or purchase a new building	1%
Renovate/redecorate building	1%
Do own manufacturing or assembly	1%
More networking/connecting with other businesses	1%
Create standards to be followed by each store or location	1%
Meet goals of business plan	1%
Develop a new or different business plan	1%
Amount of capital needed to achieve business goals	(N=222)
\$1,000 or less	7%
\$1,001 to \$5,000	8%
\$5,001 to \$10,000	8%
\$10,001 to \$20,000	14%
\$20,001 to \$30,000	9%
\$30,001 to \$50,000	14%
\$50,001 to \$100,000	14%
More than \$100,000	20%
Don't know/Refused	7%
Mean	\$96,769
Median	\$40,000
Range	\$0-\$1,000,000
Total	\$20,031,100

9. Business goals of NDC-assisted business owners (continued)

Ways NDC can help business grow (multiple responses grouped into categories)	(N=209)
Financial assistance/support: loans/financial help/insurance	50%
Marketing/referrals for business/network	26%
Technical assistance for running a business	22%
More classes/training	12%
Nothing – not looking to grow	7%
Help renovate or acquire space	7%
Help with business plan	7%
General support	4%
NDC has already helped	3%
Legal counseling	2%
General help, unspecified	1%
Help with employees	1%
Allow me to introduce new merchandise (regulated by Mercado)	1%
Help selling business	1%
Referring other clients to business	1%
Create an incubator for artisan stores	1%
Help with finding and training employees	1%
Mentoring	1%
More/better follow-up	1%
Extent that being in business is meeting <u>personal</u> goals	(N=222)
Quite a bit	48%
Somewhat	30%
A little	12%
Not at all	10%
Missing	1%

10. NDC-assisted businesses: locations and building occupancy

Neighborhoods/community locations	(N=222)
St. Paul:	
Selby	9%
Frogtown	6%
Dayton's Bluff	6%
Hamline Midway	6%
Riverview Economic Development Association	6%
Eastside	2%
North End Area Revitalization	2%
Aurora St. Anthony	1%
Minneapolis:	
Northside Resident Redevelopment Council	12%
Phillips	5%
Whittier	3%
Seward	3%
Ethnic groups:	
Latino-Minneapolis	10%
Asian Development Council	2%
Latino-East Side	2%
Latino-St. Paul	2%
American Indian Business Development Corp.	2%
American Indian Business Development Corp.-St. Paul	1%
East Side Hmong	1%
Hmong American Partnership	1%
East African Training	1%
Oromo Community of Minnesota	1%
Somali	1%
Women's Association of Hmong and Lao	1%
Recipes	5%
Islamic Financing	1%
Mercado	4%
Midtown Business Center	3%

10. NDC-assisted businesses: locations and building occupancy (continued)

Business occupied vacant building	29%
Building was rehabbed so that business could move in	19%
Building was substantially rebuilt so that business could move in	5%
Building owned by business	9%
Total annual property taxes	\$56,083
Building leased by business	48%
Monthly rent (breakdown of 48 percent (N=106) with leases)	
Less than \$200	8%
\$200-399	12%
\$400-599	20%
\$600-799	12%
\$800-999	9%
\$1,000-1,499	14%
\$1,500-1,999	5%
\$2,000 and more	14%
Don't know/refused	6%
Mean rent	\$1,150
Median rent	\$700
Total <i>annual</i> rent	\$1,380,516

11. Neighborhood employment impacts of NDC-assisted businesses

Number of employees (not counting owners)	(N=222)
0	63%
1-2	18%
3-5	8%
6 or more	12%
Mean	1.8
Median	0.0
Range	0-27
Total number of employees of 222 businesses surveyed	403
Of all paid employees, how many are family members?	17%
Of all paid employees, how many are neighborhood residents?	48%
Of all employees, how many work:	(N=403)
40 or more hours per week	47%
35 to 39 hours per week	5%
30 to 34 hours per week	8%
20 to 29 hours per week	22%
10 to 19 hours per week	13%
Fewer than 10 hours per week	5%
Ethnicity of employees	(N=403)
Latino/Chicano/Hispanic	38%
White (non-Hispanic)	25%
African American/Black	23%
Native American/Indian	4%
Other Asian	3%
Somali	2%
Hmong	2%
Other	2%
Missing	1%
Hourly wage rates	(N=403)
\$5.00 - \$9.99 an hour	57%
\$10.00 - \$15 an hour	25%
\$15.01 - \$20 an hour	4%
>\$20 an hour	8%
Unknown	6%

11. Neighborhood employment impacts of NDC-assisted businesses (continued)

Percent with employees who provide training for employees (e.g., on the job training; staff training(N=83))	83%
Type of training provided (multiple responses grouped into categories)	(N=69)
In service/ongoing/on the job	59%
Customer service	22%
Food service training or certification	13%
Outside seminars and training	10%
How to sell adult material (cigarettes/alcohol)	6%
CPR/First Aid	6%
Sales training	4%
Unspecified	3%
Motivational training	3%
Sales training	3%
Computer training	1%
One-on-one training (unspecified)	1%
Administration of medicine	1%
Insurance licensing	1%
Working with children	1%
Compensation for continuing education	1%
Owners who provide employee benefits	(N=83)
Fully-paid health insurance	5%
Partially-paid health insurance	12%
Paid sick days off	18%
Paid vacation	34%
Paid holidays	29%
Retirement plan	6%

11. Neighborhood employment impacts of NDC-assisted businesses (continued)

Monthly payroll of 83 owners with employees	(N=83)
Up to \$500	14%
\$501 to \$1,000	4%
\$1,001 to \$2,500	17%
\$2,501 to \$5,000	19%
More than \$5,000	29%
Don't know/refused	17%
Mean	\$7,491
Median	\$3,000
Range	\$0-\$65,000
Total monthly payroll	\$516,884
Monthly payroll taxes of 83 owners with employees	(N=83)
\$0	13%
\$100 or less	5%
\$101 - \$500	11%
\$501 - \$1,000	10%
More than \$1,000	19%
Don't know/refused/missing	42%
Mean	\$1,751
Median	\$550
Range	\$0-\$14,000
Total	\$84,069
Businesses with subcontractors or contract/cash workers in past year	(N=222)
Subcontractors or paid by contract or cash	41%
\$500 and under	6%
\$501 to \$2,000	9%
\$2,001 to \$10,000	12%
\$10,001 to \$30,000	5%
Over \$30,000	5%
Don't know/refused	4%
Dollar value of subcontractors	\$1,226,820

12. Other contributions to neighborhood economy and quality of life

Estimated dollar amount business spends each month within neighborhood on materials and supplies	(N=222)
\$0	25%
<\$100	11%
\$100-249	18%
\$250-499	13%
\$500-1,000	14%
\$1,001-2,000	4%
More than \$2,000	9%
Don't know/refused	7%
Mean	\$804
Median	\$150
Range	\$0-\$15,000
Total spent per month	\$165,674
Percent of owners reporting contribution of any time, money, or in-kind support to neighborhood events or activities in past 12 months	60%
Types of contributions (multiple responses grouped into categories)	(N=133)
Products or services/space	40%
Fundraising/cash donations	50%
Time/assistance	53%
Dollar value of business contributions to neighborhood events/activities in past 12 months	(N=222)
\$0	41%
<\$100	2%
\$100-200	11%
\$201-500	12%
More than \$500	26%
Don't know/refused	8%
Mean	\$3,805
Median	\$500
Range	\$0-\$200,000
Total	\$441,357
Percentage of business owners who feel they serve as role model in community	83%

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

Examples of how these owners serve as role models (multiple responses grouped into categories)	(N=183)
Educate/provide positive role model	75%
Provide time and assistance	18%
Provide needed service or product locally	13%
Promote business ownership/stabilize community financial base	13%
Cash, in-kind donations, product or service donations	6%
Promote home-ownership/Improve existing housing	2%
Improve are visually, help local environment	2%
Hire people who have trouble getting work	2%
Sponsor trainings/workshops	1%
Percent of business owners who participate as a neighborhood leader (N=222)	35%
Examples of how these owners provide leadership (multiple responses grouped into categories)	(N=77)
Provide time and assistance	69%
Serve as inspiration/mentor/role model	17%
Group leader/board leader/coach	16%
Educate others-provide trainings/speakers	8%
Give in-kind or cash contributions	5%
Support other small businesses	5%
Provide needed/affordable services	1%
Percent of business owners who say their business serves as a community gathering place (N=222)	27%
Percent of business owners who feel connected with neighborhood groups/associations (N=222)	59%

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

What does your business contribute to your neighborhood? (multiple responses grouped into categories)	(N=210)
Provide needed/affordable/convenient services	38%
Give in-kind or cash contributions	16%
Nothing	12%
Beautify/upkeep of building, keep neighborhood clean	11%
Serve as inspiration/mentor/role model	11%
Provide time/assistance to community groups and associations	11%
Provide a clean, relaxing, safe environment	7%
Provide employment/training for residents	5%
Gathering place for neighborhood and community members	4%
Help promote or start other new businesses	3%
Improve safety	2%
Financial support of the neighborhood	2%
Develop or improve housing	1%
Teach parenting skills	1%
Promote cultural diversity	1%
Happiness	1%
Promote healthy living	1%
Help environment/recycling	1%

13. Owners' Views of NDC Assistance by type of assistance

Most beneficial help from NDC (multiple responses grouped into categories)	MBC (N=7)	Mercado (N=22)	Training Only (N=190)	Total (N=222)
Training	0%	46% (10)	45%	44%
Technical assistance	14% (1)	27% (6)	20%	21%
Loan	0%	23% (5)	15%	16%
Incubator	57% (4)	18% (4)	-	4%
Other	43% (3)	36% (8)	58%	55%
Encouragement/support/advice/validation		9% (2)	17%	16%
Help with business plan			10%	9%
Contacts/networking		9% (2)	7%	7%
Marketing or advertising			6%	5%
One-on-one sessions			4%	3%
No help received			4%	3%
Help finding loans or financial assistance from other sources			3%	3%
Bookkeeping/accounting assistance	14% (1)		3%	3%
Relationships with instructors/staff		5% (1)	3%	3%
General knowledge, unspecified		9% (2)	2%	2%
Referral to legal services or help with legal issues	14% (1)		2%	2%
Supportive business development programs (kitchen, etc.)			2%	2%
Helped create a more business like/structured work environment	14% (1)		<1%	1%
NDC's professional attitude		5% (1)	<1%	<1%
Helped point out problems with my business			<1%	<1%
Helped me set goals			<1%	<1%
Renovations and repairs made to property			<1%	<1%

13. Owners' views of NDC assistance by type of assistance (continued)

Business relationship with NDC	MBC (N=7)	Mercado (N=22)	Training Only (N=190)	Total (N=222)
My business is as successful as it is today largely because of the assistance I received from NDC	-	23% (5)	24%	23%
My business is as successful as it is today somewhat because of the assistance I received from NDC	43% (3)	68% (15)	49%	51%
My business is no better off or no worse off due to NDC	57% (4)	9% (2)	26%	25%
My business would be doing much better today if it were not connected with NDC	-	-	1%	<1%
Don't know/refused/NA	-	-	1%	1%
Extent owners have used business advice from NDC				
A lot	14% (1)	59% (13)	41%	42%
Some	14% (1)	14% (3)	33%	30%
A little	14% (1)	9% (2)	17%	16%
Not at all	57% (4)	18% (4)	9%	12%
Explanation for largely successful (multiple responses grouped into categories)				Total (N=52)
Education/training/classes				35%
Helped financially				23%
Helped get business started-new to owning business				15%
General help, unspecified				14%
Bookkeeping/accounting/financial advice				14%
Business advice and management skills				12%
Supportive/encouraging/help become part of the community				10%
Helped with contacts/referrals				8%
Technical assistance				8%
Helped with business plan				8%
Marketing/advertising				8%
Mercado Central/MBC/Incubator				4%
Helped focus ideas and give business structure				4%
Helped clean up credit history				2%
Continue to help over time				2%

13. Owners' views of NDC assistance by type of assistance (continued)

Explanation for somewhat successful (multiple responses grouped into categories)	(N=109)
Education/training/classes	20%
Helped with business plan	17%
Business advice and management skills	17%
General help, unspecified	16%
Helped financially-loan or help get loan	12%
Marketing/advertising	7%
Supportive/encouraging/part of community	7%
Bookkeeping/accounting/financial advice	6%
Mercado Central/MBC/Incubator	5%
Helped get business started-new to owning business	5%
Problems with getting loan/loan process	5%
Technical assistance	4%
Helped focus ideas and give business structure	3%
Did not take advantage of help offered though NDC	3%
NDC did not provide help/no follow-up/not good marketing advice	2%
Helped with location/store development	2%
Too early to determine benefit of NDC	2%
Helped initially, but don't help/respond any more	2%
Helped with contacts/referrals	1%
Helped acquire license	1%
Helped develop or open new branch	1%
Helped increase sales	1%
Helped clean up credit history	1%
Developed my confidence to be successful	1%

13. Owners' views of NDC assistance by type of assistance (continued)

Explanations for no better or no worse (multiple responses grouped into categories)	Total (N=52)
NDC provided no help/not good follow-up or marketing advice	29%
Provided general help, unspecified	19%
Education/training/classes	12%
Helped with business plan	12%
Did not take advantage of help offered though NDC	12%
Problems with getting a loan/loan process	10%
Too early to determine benefit of NDC	4%
Helped initially, but don't help/respond any more	4%
Mercado Central/MBC/Incubator	4%
Helped finically-loan or help get loan	2%
Helped get business started-new to owning business	2%
Bookkeeping/accounting/financial advice	2%
Helped focus ideas and give business structure	2%
Helped with location/store development	2%
Good to have what I already knew confirmed/validated	2%
Explanations for would be doing better if not connected to NDC (multiple responses grouped into categories)	Total (N=1)
NDC did not provide help/no follow-up/not good marketing advice	100%

13. Owners' views of NDC assistance by type of assistance (continued)

Most helpful advice: A lot (multiple responses grouped into categories)	(N=92)
Bookkeeping/accounting/financial advice	38%
Business development and advice/business plan/research	31%
Marketing/advertising	21%
On-going support and encouragement (helped with confidence)	10%
Contacts/clients/customer relations	8%
General knowledge, unspecified	7%
Business placement/real estate advice	4%
Loan advice/help find loan	3%
How to find other resources for help	3%
Planning (unspecified)	3%
Legal advice	3%
Technical assistance	2%
Helped with understanding of health guidelines and regulations	2%
Cultural/community relations	1%
One-on-one sessions	1%
Renovation/redecoration advice	1%
Most helpful advice: Some (multiple responses grouped into categories)	(N=65)
Business development and advice/business plan/research	34%
Marketing/advertising	23%
Bookkeeping/accounting/financial advice	20%
Contacts/clientele/customer relations	8%
On-going support and encouragement (helped with confidence)	6%
General knowledge, unspecified	6%
Loan advice/help finding loan	5%
Technical assistance	5%
How to find other resources for help	3%
Remain focused and stick to tasks	3%
Helped with understanding of health guidelines and regulations	2%

13. Owners' views of NDC assistance by type of assistance (continued)

Explanation why: A little (multiple responses grouped into categories)	Total (N=30)
Didn't apply to our business	27%
Learned some things but haven't had a chance to use knowledge	23%
NDC provided no new advice/Respondent already knowledgeable	17%
Haven't gotten enough advice/Didn't follow through with advice	13%
Never completed training	7%
Business goals have changed	7%
Some contacts/referrals/A little general help	3%
Doesn't come by often enough	3%
Information helpful to others, but not me	3%
Language barrier with staff	1%
Explanation why: Not at all (multiple responses grouped into categories)	(N=25)
Haven't gotten enough advice/Didn't follow through with offered advice	32%
NDC provided no new advice/Respondent already knowledgeable	16%
NDC did not help (unspecified)	16%
Didn't apply to our business	8%
Learned some things but haven't had a chance to use knowledge	8%
Never completed training	8%
Some contacts/referrals/A little general help	4%
Wanted a loan and didn't get one from NDC	4%
Too stubborn or set in ways to change	4%
Don't need or want their help	4%

13. Owners' views of NDC assistance by type of assistance (continued)

Prior business ownership	MBC (N=7)	Mercado (N=22)	Training (N=190)	Total (N=222)
Yes	71% (5)	59% (13)	68%	67%
How experience with NDC is different (multiple responses grouped into categories)				(N=139)
NDC provided guidelines/format/focus	-	-	-	20%
General knowledge and help, unspecified	-	-	-	19%
It isn't different	-	-	-	18%
Bookkeeping/accounting/financial planning				10%
Supportive, always available to help				7%
Advertising/marketing				6%
Business expansion	-	-	-	5%
More resources/contacts/networking	-	-	-	4%
Business plan	-	-	-	4%
Financial help/loan	-	-	-	3%
General support, unspecified/validation	-	-	-	3%
Help with legal aspects				3%
Organization	-	-	-	3%
Improved business space or location				3%
Made aware about other things about starting a business	-	-	-	2%
Technical skills	-	-	-	1%
Loan process/how to get a loan				1%
Helped research other businesses/competition				1%
Referrals from NDC helpful				1%
Better relationships/communication with clients				1%
Provided resources unavailable before				1%
Good information on starting a business				1%
Gave me confidence/perseverance				1%
See business as part of the community				1%
Does not apply				1%

14. NDC group comparisons

Type of business	MBC (N=7)	Mercado (N=22)	Training only (N=190)
Service	100% (7)	27% (6)	61%
Retail	-	46% (10)	21%
Food Service	-	27% (6)	11%
Construction	-	-	4%
Production	-	-	3%
Owners' gender			
Male	71% (5)	59% (13)	50%
Female	29% (2)	41% (9)	50%
Training program distribution			
No NDC Training	100% (7)	41% (9)	-
Neighborhood	-	-	73%
Ethnic	-	55% (12)	21%
Recipes	-	5% (1)	6%
Total number of employees	36	73	293
Percent of total employees	9%	18%	73%
Percent employees who are neighborhood residents	33%	27%	56%
Race/ethnic background of employees			
African Americans/Black	33%	-	28%
Latino/Chicano/Hispanic	6%	96%	28%
Hmong	11%	-	2%
Other Asian	3%	-	4%
White	42%	1%	29%
Native American/Indian	6%	-	5%
Somali	-	-	2%
Another self-identified group	-	-	2%
Unidentified	-	3%	-
Percent working part-time (1 to 34 hours)	61%	12%	56%

14. NDC group comparisons (continued)

Type of business	MBC (N=7)	Mercado (N=22)	Training Only (N=190)
Payroll			
Total per month	\$108,000	\$134,444	\$273,840
Per employee per month	\$3,000	\$1,842	\$934
Average years running business	3.3	3.1	5.7
Total number of employees (goal) average/total	14.1/99	6.7/139	5.7/1,010
Capital needed to achieve goals (average/median)	\$97,157/ \$50,000	\$118,238/ \$30,000	\$95,199/ \$40,000
Debt (average/median)	\$10,286/ \$2,000	\$22,132/ \$6,000	\$27,275/ \$4,000
Rent (average/median)	\$582/ \$470	\$1,108/ \$675	\$1,193/ \$750
Loan from a city program	0%	14%	8%
Loan from another non-profit	0%	9%	7%
Months to make a profit			
Not yet made a profit	43% (3)	14%	27%
Less than 6 months	-	23%	24%
6 to 12 months	57% (4)	32%	15%
About 12 to 18 months	-	18%	11%
Around 2 years	-	-	6%
More than 2 years	-	-	10%
Don't know/refused	-	14%	9%
Have another job	14% (1)	23%	38%
Expanded existing business since NDC	71% (5)	50%	64%
Started new business since NDC assistance	29% (2)	50%	36%
Since NDC training or other assistance, expanded from a home-based to commercial based business (of those that expanded existing businesses)	20% (1)	18% (2)	16% (20)
Believes business serves as place for community members to gather	0%	41%	27%