

# ProsperUS

## *Outcome Evaluation*

Authors: Jessie Austin and Laura Schauben

**A P R I L 2 0 2 0**

451 Lexington Parkway North | Saint Paul, Minnesota 55104  
651-280-2700 | [www.wilderresearch.org](http://www.wilderresearch.org)

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## Executive summary

In 2019, Wilder Research conducted an outcome evaluation for the Build from Within Alliance (BfW). The aim of BfW's work is to help individuals and neighborhoods become economically healthy and prosperous, as well as active contributors to the development and revitalization of their own neighborhoods.

ProsperUS, a program of Southwest Economic Solutions located in Detroit, Michigan, is one of nine members of BfW. ProsperUS Detroit is a place-based economic development strategy designed to empower low- and moderate-income immigrant and minority individuals. Through a range of culturally competent services, they strive to support the entrepreneurial spirit and small business community that exists in Detroit's neighborhoods.

To understand the impact of this work, Wilder Research conducted phone surveys with business owners assisted by ProsperUS from August through December 2019. Wilder Research began with a list of 175 potential business owners who were determined to be in business and for whom contact information was available. In total, 68 owners participated in the survey for a response rate of 39%.

## Profile of surveyed business owners

About half of owners identified as female and three-fourths identified as African American.

The median household income was \$36,000. About half said their yearly household income increased as a result of their business, in median by \$6,000. Seventy-one percent said they were at least "a little" better off financially because of their business.

The most common services received from ProsperUs were entrepreneur or business plan training (91%), and technical assistance or business services (63%). Most respondents received a combination of services (66%).

## Profile of businesses

With ProsperUS assistance, 45% of surveyed owners started a new business, and 55% sustained or expanded a pre-existing business.<sup>1</sup> Most of the businesses were home-based (71%). Businesses had been in operation in median six years, with a range from less than one year to 20 years.

Eighty-eight percent of surveyed business owners lived in the same neighborhood as their business. Almost all business owners also had clients from their neighborhood (92%). Owners estimated, in median, 50% of their clients were from the immediate neighborhood.

Of owners who had a yearly gross revenue and reported the amount, the median was \$10,000, with a range from \$500 to \$600,000. Total yearly gross revenue for all businesses was \$1,756,100.

Over half of owners have no current business debt. Of those with debt who provided an amount, the median was \$3,000. For 61% of respondents, their business debt remained the same as the previous year. Those who experienced a change were fairly evenly split, with slightly more reporting a decrease in debt (17%) than an increase (14%).

## Business expansion since ProsperUS assistance

Of the 35 owners of pre-existing businesses (i.e., businesses that existed prior to ProsperUS' involvement),<sup>2</sup> since ProsperUS assistance, 82% increased their annual business income. The median increase was \$4,000, and the range \$1,000 to \$50,000.

Twenty-one percent increased their number of locations by at least one. In total, 11 locations were added.

Nine percent of the businesses increased their number of employees.

## Impacts on neighborhoods

Businesses assisted by ProsperUS contributed to their communities through rent, property taxes, employment/payroll, payroll taxes, business expenses, and tangible support for neighborhood activities and events.

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<sup>1</sup> Businesses were considered to be “pre-existing” (in contrast to “new”) if the owner said they used ProsperUS services to maintain or grow a current business and the business was registered with the state. As a result, some businesses that were identified as pre-existing businesses by their owners were reclassified as new businesses for the purpose of this report.

<sup>2</sup> See previous footnote.

## ***Building and property-related impacts***

Twenty-two percent of owners leased a commercial space. These business owners reported a median monthly rent of \$560. The total rent paid was \$10,265 per month, or about \$123,180 annually.

## ***Employment impacts***

Nineteen percent of the surveyed business owners had paid employees (not including the business owner). The median number of paid employees was three, with a range from one to five. Seventy-seven percent of owners hired neighborhood residents.

In total, 33 individuals were employed by these businesses. About half of employees worked 30 or more hours per week. According to the owners, most employees were African American or black (47%) or Latino or Hispanic (33%). In median, employees were paid \$13.00 an hour, with a range from \$8.50 to \$21 an hour.

Half of the owners with employees provided the amount of their monthly payroll. For these six owners, their total monthly payroll was about \$37,080, equivalent to about \$444,960 annually.<sup>3</sup>

No owners provided health insurance and few provided paid time off (17%) to their employees.

Forty-three percent of owners hired sub-contractors, cash workers, or both in the previous year. The median amount owners spent on these workers was \$3,000.

## ***Other neighborhood impacts***

Owners reported spending a total of \$471,200 annually on business expenses (not including rent and payroll). Of this amount, \$202,438 was spent within the same neighborhood as the business.

In total, owners reported paying about \$30,680 annually in sales tax.

Seventy-two percent of business owners contributed time, money, or in-kind support to neighborhood events and activities in the previous year. Owners valued these contributions at a total of \$119,020.

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<sup>3</sup> Respondents were also asked about payroll taxes but data are excluded from this report because of the small sample size who answered that question.

Ninety-four percent of owners said they serve as role models for youth and/or young adults in their communities, and 57% said they serve as leaders in groups or organizations in their neighborhood or ethnic community. Twenty-six percent said their business serves as a gathering place for their community.

## Impacts on owners' children and families

Seventy percent of surveyed business owners said they are a parent, guardian, or primary caretaker of at least one child. The total number of children for all business owners was 134. Thirty-nine percent of owners had at least one child living in their household. In total, 45 children were living with respondents.

### *Children's education and career experience*

Forty percent of respondents with children said owning a business improved their family's ability to participate in activities outside of school, and 28% said it improved their family's ability to help their children do well in school. Most of the remaining respondents said there was no difference, but that change had not been needed.

Fifty four percent of respondents with children said their children were involved in the business by helping with it (54%), working for pay (12%), or both. Of the respondents who said their children did not work for pay at the business (N=38), 53% thought their children would do so someday.

Most respondents (70%) felt their children would own a business in the future (61%) or said their children already do (9%).

### *Financial security*

Twenty-six percent of respondents with children said their family's ability to have stable housing increased as a result of business ownership, and 30% said their ability to have transportation was improved, while most reported that change neither happened nor was needed.

## Health

Thirty percent of respondents with children said their family's ability to afford enough nutritious food improved, and 23% felt that their family's ability to help their children be healthy improved as a result of their business. Again, most said it remained the same and was fine already.

Fewer respondents said their family's ability to pay for health care when needed improved (9%). Forty-four percent said there had been no change but that the situation was fine already, 37% reported no change but improvement was needed, and 7% reported that their situation had worsened.

## Owners' views of ProsperUS assistance

Seventy-seven percent of surveyed business owners said their business "is as successful as it is today" largely (29%) or somewhat (48%) due to the assistance of ProsperUS.

Respondents were also asked how likely they were to recommend ProsperUS to a friend, on a scale of 1 to 10, with 10 being the most likely. Sixty-nine percent said "10," and an additional 20% gave a rating of 8 or 9.

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# Introduction

## Build from Within Alliance

The aim of Build from Within Alliance's (BfW) work is to help individuals and neighborhoods become economically healthy and prosperous, as well as active contributors to the development and revitalization of their own neighborhoods. The nature of this work is not driven by outsiders or public investments and subsidy but by a long-term commitment to develop entrepreneurs from within these neighborhoods. Through implementation of the model, BfW members address economic disparities and inequities by providing access to opportunity to start and grow a business for low-income individuals and families with a culturally competent, asset-based, entrepreneurship-focused, and place-based approach.

At the time of data collection, the BfW included nine programs across the United States. This report describes program outcomes for ProsperUS in Detroit, Michigan.

## ProsperUS

ProsperUS Detroit, a program of Southwest Economic Solutions, is a place-based economic development strategy designed to empower low- and moderate-income immigrant and minority individuals. Through a range of culturally competent services, they strive to support the entrepreneurial spirit and small business community that exists in Detroit's neighborhoods.

## Methodology

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

The surveys were conducted from August through December 2019. Wilder Research began with a list of 335 potential business owners identified by ProsperUS. Each potential owner was mailed a letter from ProsperUS describing the purpose of the evaluation and asking for their cooperation. Wilder Research then tried to reach each business owner up to seven times by phone.

From the original sample of 335 business owners, potential respondents were removed from the sample due to incorrect contact information (N=52) or being ineligible for the study (N=46) because they said they were not in business (N=25), were not yet in business (N=15), or they didn't receive services from ProsperUS (N=6). In addition, one was removed for another reason. Finally, there were 125 potential owners who did not answer the phone after multiple tries and had no voice mail option. An estimate was made of how many of these potential respondents were likely in business based on the percentage of owners that were eligible for the study.

Of the estimated 175 potential respondents determined to be in business and for whom contact information was available, 68 participated in the survey for a response rate of 39%.

## About this report

This report provides information based on the responses of the 68 business owners surveyed. As the total number of people who answered any given question varied, Ns for each question may also vary. When four or fewer people responded to a question, data is excluded for confidentiality. Throughout the report, text highlights key findings. Full data tables (i.e., figures) can be found at the end of the report. In some cases, in text and tables, totals do not add up to 100% due to rounding.

# Overview of ProsperUs members' performance

Results from the 68 surveyed owners were used to estimate some of the impacts of the 220 owners estimated to be in business at the time of data collection. ProsperUs businesses contributed approximately \$4,460,032 dollars to their state, including \$2,107,189 dollars to their neighborhoods, in rent, cash and in-kind contributions, payments to subcontractors, business expenses excluding rent and payroll, payroll excluding payroll taxes, and sales tax (Figure 1). Notably, these businesses also contributed property taxes and payroll taxes, although the amounts are not included due to the low sample size.

## 1. Impact of rent, business expenses, contributions, subcontractor payments, payroll, and sales tax from January 2019 through December 2019<sup>a</sup>

<b>Neighborhood impact</b>	
Estimated dollars returned for <b>all</b> businesses based on survey responses:	
Rent	\$398,524
Business expenses (excluding rent and payroll) in neighborhood	\$654,946
Cash/in-kind contributions in neighborhood	\$385,065
Payments to subcontractors and cash workers	\$668,654
<b>Total annual return to neighborhoods</b>	<b>\$2,107,189</b>
Average per business for one year	\$9,578
<b>State impact</b>	
Estimated dollars returned for <b>all</b> businesses based on survey responses:	
Rent	\$398,524
Business expenses (excluding rent and payroll)	\$1,524,471
Cash/in-kind contributions in neighborhood	\$385,065
Payroll of all business owners (excluding payroll taxes)	\$1,384,059
Payments to subcontractors and cash workers	\$668,654
Sales Tax	\$99,259
<b>Total annual return</b>	<b>\$4,460,032</b>
Average per business for one year	\$20,273

<sup>a</sup> Figures are for all 220 businesses based on responses from the 68 surveyed business owners.

In total, the 220 estimated businesses were responsible for about 327 jobs, including the owners themselves and their employees.

# Profile of business owners assisted by ProsperUS

## Demographics

### *Respondents' gender, age and race/ethnicity*

Of the 68 business owners who responded to the demographic questions, 52% identified as women and 49% identified as men<sup>4</sup> (Figure 2). Most identified as African American or black (76%) or Latino or Hispanic (15%). Three percent identified as Caucasian or white, 2% identified as Native American, 2% identified as African, and 3% responded “other” (i.e., another race or ethnicity).

### *Number in household*

Most surveyed business owners lived by themselves (45%) or with one other person (29%; Figure 2). The average and median household size was two people, with a range from one to four people.

## Financial status

### *Income*

The average annual household income of respondents was \$49,829 and \$36,000 in median, with a range from \$2,500 to \$200,000 (Figure 3). More specifically, 26% of owners reported an annual income of up to \$30,000, 18% reported \$30,001 to \$42,000, 20% reported \$42,001 to \$70,000, and 14% reported more than \$70,000. Twenty-three percent of respondents either chose not to provide this information (12%) or did not know it (11%).

### *Income increase as a result of business*

Nearly half of respondents said their household income increased as a result of their business (Figure 3). For these owners, the average increase was \$12,060 and the median \$6,000. In sum, the business owners surveyed increased their income by \$301,500.

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<sup>4</sup> Categories do not total 100% due to rounding.

### *Financial independence as a result of business*

When asked if they are more financially independent now than they were the previous year as a result of their business, 38% of surveyed business owners said “quite a bit” (9%) or “somewhat” (29%; Figure 3). An additional 33% responded “a little.” Twenty-seven percent responded “not at all.” Two percent of respondents chose not to provide this information.

## Assistance received from ProsperUS

Of the 65 respondents who identified which services they received from the ProsperUS, most participated in an entrepreneur or business plan class (91%; Figure 4). In addition, 63% received technical assistance or business services, 43% attended a business workshop, and 15% received a loan or financing. In sum, 66% of respondents received a combination of services, 25% training services only, 6% technical assistance or business services only, and 3% a business workshop only.

# Businesses assisted by ProsperUS

## Current status of businesses assisted by ProsperUS

### *Age and status of business*

Based on information gathered during the evaluation process, 220 ProsperUS alumni currently operate their own businesses. This section describes the businesses of the 68 owners who participated in this evaluation.

In regard to age of the businesses, 18% had been operating for less than three years, 15% three to four years, 40% five to nine years, and 28% 10 or more years (Figure 5). The average age of the businesses was seven years, with a median of six years and a range from less than 1 year to 20 years.

Surveyed business owners were asked whether they started a new business or sustained or expanded a current business with ProsperUS assistance. Twenty-six percent of owners said they started a new business, and 71% said they received assistance with a pre-existing business (3% did not know this information; Figure 5).

In total, 72% of businesses were registered with the state (Figure 5). On average, businesses that were registered had been for six years, with a median of five years and a range from less than 1 year to 20 years.

### *Business space*

Regarding business space, 71% of the businesses were home-based and 28% were located in commercial space (2% of respondents did not know this information; Figure 5). Of the 19 surveyed business owners using commercial space, 79% leased and 21% owned the location.

Eighty-eight percent of surveyed business owners lived in the same neighborhood as their business (Figure 5).

### *Percentage of business from within one mile*

Respondents were asked to estimate the amount of business that comes from within one mile of their location. Ninety-two percent said at least some of their customers do, including 44% who said over half of their customers are from the immediate neighborhood (Figure 5). On average and in median, respondents estimated that about half of their business comes from within one mile of their location.

# Yearly gross revenue and debt

## *Current yearly gross revenues*

Surveyed business owners were asked for their current yearly gross revenue. Eight percent of respondents said they had no revenue to date (Figure 6). Seventeen percent reported a yearly gross revenue between \$1 and \$3,600, 24% between \$3,601 and \$12,000, 15% between \$12,001 and \$36,000, and 17% over \$36,000. Twenty percent of business owners did not know this information (18%) or chose not to provide it (2%). Of those business owners who had revenue and provided their annual gross revenue amount (N=48), the average was about \$36,585 and the median \$10,000, with a range from \$500 to \$600,000. In total, the ProsperUS-assisted business owners had a yearly gross revenue of \$1,756,100.

## *Debt*

Respondents were also asked about their business debt. Over half reported having no current business debt (58%; Figure 6). For the remaining business owners, 23% owe \$5,000 or less, 6% \$5,001 to \$20,000, and 6% more than \$20,000. Of those business owners who had debt and reported the amount (N=23), the average was \$17,217 and the median \$3,000, with a range of \$150 to \$150,000. The total amount of business debt for all respondents is about \$396,000.

All respondents were asked if the amount of their debt had changed since the previous year. Over half said it hadn't (61%; Figure 6). Seventeen percent reported a decrease in debt and 14% an increase. Five percent said their businesses were not open in the previous year.

Considering only respondents who were in business the previous year and who provided an estimate of their debt (N=66), 67% said their amount of debt stayed the same (Figure 6). Business debt decreased for 15% of these business owners, including 5% who reported a decrease of \$10,000 or more. Debt increased for 11% of these business owners, including 3% who reported an increase of \$10,000 or more.

Overall, the average change in debt was a decrease of about \$5,303 and the median a decrease of \$1,100 (Figure 6). For those whose debt increased, the average change was \$4,250 more and the median \$3,000 more. In regard to decreases in debt, the average was \$12,733 less and the median \$6,000 less.

## Business expansion since ProsperUS assistance

Respondents with pre-existing businesses were asked about changes in their business since receiving assistance from ProsperUS. Definitions of being in business may vary. Thus, respondents who reported having a pre-existing business were asked if their business was registered with the state at the onset of ProsperUS assistance to better distinguish between established businesses and those more akin to a hobby. Only businesses that were registered were considered “pre-existing.” Based on these criteria, twelve businesses were reclassified as new businesses (Figure 7). The remaining 36 pre-existing businesses (55%) are the subject of the following analyses.

### Expansion of pre-existing businesses

#### *Expansion of staff*

Nine percent of the pre-existing business owners had hired more employees since receiving ProsperUS assistance (Figure 8).<sup>5</sup>

#### *Expansion of annual business income*

Eighty-two percent of pre-existing business owners reported increasing their annual business income (Figure 8). Of these owners, 32% increased their annual income by between \$1,000 and \$3,000 per year, 7% by \$3,001 to \$6,000, 18% by \$6,001 to \$12,000, and 18% by more than \$12,000. Twenty-five percent of owners said they increased their income, but did not know (21%) or would not say (4%) by how much. Of those who reported the amount of increase (N=21), the average was \$10,833; the median was \$4,000. The range was from \$1,000 to \$50,000. In total, these owners increased their annual business income by \$227,500.

#### *Expansion of locations*

Twenty-one percent of pre-existing business owners expanded their businesses to at least one additional location (Figure 8). Of these seven owners, five added one location, and two added at least two locations. In total, 11 new locations were created.

#### *Access to bank loans or services*

Owners of pre-existing businesses were asked whether they could now access bank loans or other bank services that were previously unavailable to them. Thirty-seven percent said they could and 46% said they could not (Figure 8). Seventeen percent did not know.

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<sup>5</sup> Respondents were also asked about the number of employees they had hired, but these data are excluded from this report because of the small sample size who answered that question.

# Neighborhood impacts of businesses assisted by ProsperUS

## Building and property-related impacts of businesses<sup>6</sup>

Twenty-two percent of the surveyed business owners reported paying rent on commercial space (Figure 9). Of those 15 business owners, 80% paid less than \$1,000 per month in rent, and 14% paid \$1,000 or more. Seven percent of respondents did not know. For those who did pay rent, the average was \$790, and the median \$560. In total, these business owners paid about \$10,265 in monthly rent or approximately \$123,180 annually.

## Employment impacts of businesses

### *Number and profile of persons employed by businesses assisted by ProsperUS*

About one-fifth of surveyed business owners had paid employees (19%; Figure 10). These 13 business owners employed between one and five individuals, with an average of two or three employees per business, and a median of three employees. In total, the business owners employed 33 individuals. About one half of employees worked 30 or more hours per week (52%).

Seventy-seven percent of businesses with employees hired neighborhood residents (Figure 10). On average, 71% of the staff of each business were neighborhood residents, with a median of 100%. Of the 33 total employees, 64% lived in the same neighborhood as the business they worked for.

Employers were asked to record the ethnicity/race of their employees, with the option of selecting multiple ethnic/racial categories for each employee. According to employers, 47% of employees are African American or black and 33% are Latino or Hispanic (Figure 10). Ten percent are African, 3% are Asian, 3% are Caucasian, and another 3% are Native American.

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<sup>6</sup> Respondents were also asked about property taxes and whether their business occupied a previously vacant building, but data are excluded from this report because of the small sample size who answered these questions.

## ***Wages and payroll***

Surveyed business owners with paid employees were asked about hourly wages. Sixteen percent of business owners reported hourly wages of less than \$10 an hour, 36% \$10 to \$14.99 an hour, 32% \$15 to \$19.99 an hour, and 16% more than \$20 an hour (Figure 10). Employees earned about \$14 an hour on average, and \$13 an hour in median. The range was from \$8.50 to \$21 an hour.

Respondents with paid employees were also asked for the amount of their monthly payroll. Seventeen percent of businesses with employees had monthly payrolls of less than \$1,000, 25% between \$2,501 and \$5,000, and 8% over \$10,000 (Figure 10). Fifty percent didn't know (42%) or chose not to answer the question (8%). Of those who provided an amount (N=6), monthly payrolls were on average \$6,180, with a median of \$3,800. The total monthly payroll of these business owners was \$37,080 or about \$444,960 annually.<sup>7</sup>

No employers offered employees health insurance and few offered paid time off (17%; Figure 10).

## ***Subcontractors and cash workers***

Forty-three percent of respondents have hired subcontractors or cash workers in the prior year (Figure 10). In terms of the amount spent on these workers, 21% spent under \$2,000, 35% spent between \$2,000 and \$9,999, and 28% spent over \$10,000, including 7% who reported spending \$25,000 or more (14% said they didn't know; 3% were missing). For those business owners who provided the amount spent on these hires (N=24), the average was \$8,611 and the median \$3,000, with a range from \$100 to \$45,000. The total amount was \$206,675.

# Other contributions to neighborhood economy and quality of life

## ***Estimated total yearly business expenses***

Surveyed business owners were asked to estimate their total yearly business expenses, not including rent and payroll. Forty-three percent said they spent less than \$5,000, 22% spent 5,000 to \$9,999, 10% spent \$10,000 to \$24,999, and 9% spent \$25,000 or more (Figure 11). Fifteen percent did not know the amount (13%) or chose not to provide this

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<sup>7</sup> Owners were also asked about payroll taxes but data are excluded from this report because of the small sample size who answered this question.

information (2%). Of those who provided an amount (N=57), the average was \$8,267 and the median \$4,000 with a range from nothing up to \$50,000. In total, these business owners estimated spending about \$471,200 annually.

Surveyed business owners were also asked what percentage of their annual business expenses, excluding rent and payroll, is spent within one to two miles of their business (i.e., in the immediate neighborhood). On average and in median, businesses reported about half of their yearly expenses were spent within the neighborhood (Figure 11). Of all businesses, 77% spent at least some of their money with neighborhood vendors.

In terms of dollar amounts, 13% of surveyed business owners did not spend anything in the neighborhood (Figure 11). Two percent spent \$1 to \$99 each month, 15% spent \$100 to \$499, 9% spent \$500 to \$999, and 46% spent \$1,000 or more. Fifteen percent refused to answer this question or did not know. The average amount spent annually on business expenses in the neighborhood, excluding rent and payroll, was \$3,552, and the median \$1,020, with a range from nothing to \$45,000. The total amount spent annually was about \$202,438.

### **Sales tax**

Surveyed business owners were asked to estimate the amount of sales tax they pay annually. Forty percent said they do not pay sales tax (Figure 11). Fifteen percent paid between \$1 and \$999 and 12% paid over \$1,000. Thirty-three percent did not know the amount. Of business owners who paid sales tax and provided the amount (N=18), the mean was \$1,704 and the median \$810, with a range of \$25 to \$12,000. In total, owners paid about \$30,680 annually in sales tax.

### **Contributions to neighborhood events or activities in past 12 months**

Seventy-two percent of surveyed business owners reported contributing some time, money, or in-kind support to neighborhood events or activities in the previous 12 months (Figure 11). Specifically, 52% donated their time, 52% donated in-kind support, and 31% donated money.

Surveyed business owners were asked to assign a dollar value to their contributions. Forty percent reported contributions between \$1 and \$500, 13% between \$501 and \$1,000, and 35% reported contributions over \$1,000, including 9% who reported contributions over \$5,000 (Figure 11). Four percent of business owners did not feel their contribution held monetary value. The average estimate was \$2,903, and the median \$800, with a range between \$40 and \$30,000. In sum, respondents estimated that they made \$119,020 worth of contributions to neighborhood events and activities during the prior year.

### ***Business owners as role models and leaders***

Surveyed business owners were asked if they serve as role models for youth or young adults. Ninety-four percent said they do (Figure 11).

Over half of surveyed business owners said they served as leaders for groups or organizations in their neighborhood or ethnic community (57%; Figure 11).

Owners reported a variety of organizations for which they served as leaders including religious organizations, civic associations, business associations, neighborhood and community groups, arts and cultural events and associations, boards and taskforces, non-profits, schools, environmental groups, athletic teams, and peer support groups.

### ***Gathering place for the community***

Twenty-six percent of respondents said their business serves as a gathering place for the community (Figure 11).

## Impacts on owners' children and families

Seventy percent of surveyed business owners said they are a parent, guardian, or primary caretaker for at least one child (Figure 12). The average number of children was two, with a median of one child. The greatest number of children in a family was eleven, and the total number of children for all business owners was 134.

Thirty-nine percent of all owners had at least one child living in their household (Figure 12). The highest number of children in a household was five, and the average was one child, with a median of 0 children. In total, 45 children were living with respondents.

## Children's education and career experience

Forty percent of respondents with children said owning a business increased their family's ability to participate in activities outside of school, and another 40% said there was no change but the situation was fine already (Figure 13). Nine percent of respondents felt there was no change and that change was warranted.

Twenty-eight percent of respondents with children reported that owning a business improved their family's ability to help their children do well in school (Figure 13). Forty-four percent said their ability didn't change, but was fine as is, while 16% said no change happened, and their situation could use improvement.

For both participating in out-of-school activities and helping children do well in school, 12% of respondents didn't know if there was change or the question wasn't applicable (Figure 13).

Fifty-four percent of respondents with children said their children were involved in the business in informal and formal ways (Figure 14). Fifty-four percent reported that their children helped with the business, and 12% had children who worked for pay at the business. Of the respondents who said their children did not work for pay at the business (N=38), 53% thought their children would do so someday.

Respondents were asked how their children were involved in the business. Twenty-three owners provided a response. These responses were grouped into themes. The most common themes were: loading and delivering food and products (n=6); food preparation, cooking, and baking (n=4); and product creation and packaging (n=4).

Seventy percent respondents with children felt their children would own a business in the future (61%) or said their children already do (9%; Figure 14).

## Financial security

Twenty-six percent of respondents with children said their family's ability to have stable housing increased as a result of business ownership, while 54% said it did not change, but was fine already (Figure 13). Sixteen percent of respondents said there was no change in regard to housing stability, but that it was warranted, and 2% said their situation had worsened.

Similarly, 30% of surveyed owners with children said their ability to have transportation improved, while 54% reported that change neither happened nor was needed (Figure 13). Nine percent said they would like a change to occur in regard to transportation, and 5% said their situation had worsened.

For both housing stability and transportation, 2% didn't know if there was a change or the question wasn't applicable (Figure 13).

## Health

Thirty percent of respondents with children said their family's ability to afford enough nutritious food improved, and 49% said there was no change and improvement had not been needed (Figure 13). Fourteen percent of respondents reported no change, but felt their situation could use improvement, and 7% of respondents said their situation had worsened.

Twenty-three percent of respondents also felt that their family's ability to help their children be healthy improved as a result of their business, and 61% said it remained the same and was fine already (Figure 13). Fourteen percent of respondents reported no change, but said their situation could use improvement.

Few respondents with children said their family's ability to pay for health care when needed improved (9%), and 44% said their situation remained the same but was fine already. Thirty-seven percent of respondents said it remained the same but could use improvement, and 7% said their situation had worsened.

For both their ability to help their children be healthy and pay for health care when needed, 2% percent didn't know if there was a change or the question wasn't applicable.

## Views of ProsperUS assistance

Surveyed business owners were also asked to choose from a list of statements the one that best describes their business relationship with ProsperUS. Twenty-nine percent of owners said their business “is as successful as it is today” largely because of ProsperUS’ assistance, and 48% said their success is somewhat due to the program’s assistance (Figure 15). Eleven percent reported their business is successful very little due to ProsperUS’ assistance, and 12% reported their business is neither better nor worse off. No one felt their business was worse off.

Respondents were also asked how likely they were to recommend ProsperUS to a friend, on a scale of 1 to 10, with 10 being the most likely. Sixty-nine percent of owners said “10,” and an additional 20% gave a rating of 8 or 9. Two percent of respondents gave a rating of 0 or 1.

# Figures of results

## 2. Demographic profile of business owners assisted by ProsperUS

<b>Gender (N=68)</b>	
Female	52%
Male	49%
<b>Race/ethnicity (N=67)</b>	
African American/Black	76%
Latino/Hispanic	15%
Caucasian/White	3%
Native American	2%
African	2%
Other	3%
<b>Number in household (N=65)</b>	
Single person	45%
Two persons	29%
Three persons	20%
Four or more persons	6%
Mean	2
Median	2
Range	1-4

Note. Category totals may vary from 100% due to rounding.

### 3. Financial status of business owners assisted by ProsperUS

<b>Yearly household income (N=66)</b>	
Up to \$30,000	26%
\$30,001 to \$42,000	18%
\$42,001 to \$70,000	20%
More than \$70,000	14%
Refused	12%
Don't know	11%
Of those who provided their household income (N=51)	
Mean	\$49,829
Median	\$36,000
Range	\$2,500-\$200,000
<b>Income has increased as result of business (N=66)</b>	
Yes	47%
No	38%
I do not get any personal/household income from my business	12%
Refused	3%
<b>Increased yearly household income (N=31)</b>	
\$1,201 to \$3,600	19%
\$3,601 to \$6,000	23%
\$6,001 to \$18,000	19%
\$18,001 to \$30,000	13%
More than \$30,000	7%
Don't know	19%
Of those who provided an amount (N=25)	
Mean	\$12,060
Median	\$6,000
Range	\$1,500-\$50,000
Total increased yearly household income	\$301,500

Note. Category totals may vary from 100% due to rounding.

### 3. Financial status of business owners assisted by ProsperUS (continued)

<b>More financially independent now than last year, because of business (N=66)</b>	
Quite a bit	9%
Somewhat	29%
A little	33%
Not at all	27%
Refused	2%

Note. Category totals may vary from 100% due to rounding.

### 4. Services received from ProsperUS

<b>Services received from ProsperUS (multiple responses possible; N=65)</b>	
Entrepreneur/Business Plan training class	91%
Technical assistance/Business services	63%
Business workshop	43%
Loan or financing	15%
<b>Total services received from ProsperUS</b>	
Combination of services	66%
Entrepreneur/Business Plan training class only	25%
Technical assistance/Business services only	6%
Business workshop only	3%

Note. Category totals vary from 100% due to rounding or, when indicated, due to multiple responses being allowed.

## 5. Current status of business

<b>New or existing business by owner self-report<sup>a</sup> (N=65)</b>	
New business	26%
Existing business (expanded, sustained or turned around)	71%
Don't know	3%
<b>Business is registered (N=68)</b>	
Yes	72%
No	27%
Don't know	2%
<b>Years since business registration (N=49)</b>	
Less than 3 years	14%
3 to 4 years	22%
5 to 9 years	51%
10 or more years	8%
Don't know	4%
<b>Of those who provided age (N=47)</b>	
Mean	6
Median	5
Range	1-20
<b>Years business in operation (N=68)</b>	
Less than 3 years	18%
3 to 4 years	15%
5 to 9 years	40%
10 or more years	28%
Mean	7
Median	6
Range	1-20

Note. Category totals may vary from 100% due to rounding.

<sup>a</sup> Some business were reclassified based on their registration status (see Figure 7)

## 5. Current status of business (continued)

<b>Current business space (N=68)</b>	
Home-based business	71%
Commercial space (N=19)	28%
Rented commercial space	79%
Owned commercial space	21%
Don't know	2%
<b>Owner lives in same neighborhood as business (N=66)</b>	88%
<b>Percentage of business clients from immediate neighborhood (N=66)</b>	
0%	5%
1% to 10%	18%
10.1% to 25%	8%
25.1% to 50%	23%
50.1% to 100%	44%
Don't know	3%
<b>Of those who provided a percentage (N=64)</b>	
Mean percent	51%
Median percent	50%

Note. Category totals may vary from 100% due to rounding.

## 6. Yearly gross revenue and debt

<b>Yearly gross revenue from business (N=66)</b>	
No revenue to date	8%
\$1 to \$3,600	17%
\$3,601 to \$12,000	24%
\$12,001 to \$36,000	15%
\$36,001 to \$60,000	5%
More than \$60,000	12%
Refused	2%
Don't know	18%
Of those who provided an amount > 0 (N=48)	
Mean	\$36,585
Median	\$10,000
Range	\$500-\$600,000
Total yearly gross business revenue	\$1,756,100
<b>Total amount of current business debt (N=66)</b>	
\$0/No business debt	58%
\$1 to \$5,000	23%
\$5,001 to \$20,000	6%
\$20,001 to \$75,000	3%
More than \$75,000	3%
Refused	2%
Don't know	6%
Of those who provided an amount > 0 (N=23)	
Mean	\$17,217
Median	\$3,000
Range	\$150-\$150,000
Total amount of business debt	\$396,000

Note. Category totals may vary from 100% due to rounding.

## 6. Yearly gross revenue and debt (continued)

<b>Change in business debt since previous year (N=66)</b>	
Current business debt is less than previous year	17%
Current business debt is the same as the previous year	61%
Current business debt is more than the previous year	14%
Business was not open last year	5%
Don't know	5%
<b>Debt change of those who provided an estimate (N=60)</b>	
Decreased by \$10,000 or more	5%
Decreased by less than \$10,000	10%
Stayed the same	67%
Increased by less than \$10,000	8%
Increased by \$10,000 or more	3%
Don't know	7%
<b>Debt change of those who provided an estimate (N=16)</b>	
Mean	-\$5,303
Median	-\$1,100
<b>Debt change of those with <u>increased</u> debt (N=7)</b>	
Mean	+\$4,250
Median	+\$3,000
<b>Debt change of those with <u>decreased</u> debt (N=9)</b>	
Mean	-\$12,733
Median	-\$6,000

Note. Category totals may vary from 100% due to rounding.

## 7. Business status based on owner self-report and business registration

<b>Reclassified business status (N=65)<sup>a</sup></b>	
New business	45%
Existing business (expanded, sustained or turned around)	55%

<sup>a</sup> BW uses the business being registered with the state as criteria for being a pre-existing business. Given this, some businesses which were classified as pre-existing businesses by their owners were reclassified as new businesses and omitted from these analyses.

## 8. Growth of pre-existing businesses<sup>a</sup> since ProsperUS assistance

Since receiving ProsperUS assistance...	Owners of pre-existing businesses
<b>Increased number of employees (N=34)</b>	9%
<b>Business income increased since receiving ProsperUS services (N=34)</b>	82%
Amount of increase in annual business income (N=28)	
\$1,000 to \$3,000	32%
\$3,001 to \$6,000	7%
\$6,001 to \$12,000	18%
\$12,001 to \$24,000	11%
More than \$24,000	7%
Refused	4%
Don't know	21%
Of those who provided an amount (N=21)	
Mean (annual)	\$10,833
Median (annual)	\$4,000
Range (annual)	\$1,000-\$50,000
Total increase in business income (annual)	\$227,500

Note. Category totals may vary from 100% due to rounding.

<sup>a</sup> BW uses the business being registered with the state as criteria for being a pre-existing business. Given this, some businesses which were classified as pre-existing businesses by their owners were reclassified as new businesses and omitted from these analyses.

## 8. Growth of pre-existing businesses<sup>a</sup> since ProsperUS assistance (continued)

<b>Expanded their business to additional locations (N=34)</b>	
<b>Yes (N=7)<sup>b</sup></b>	<b>21%</b>
1 additional location	5
2 or more additional locations	2
<b>No</b>	<b>79%</b>
Total number of additional locations	11
<b>Can now access bank loans or services unable to access in the past (N=35)</b>	
Yes	37%
No	46%
Don't know	17%

Note. Category totals may vary from 100% due to rounding.

<sup>a</sup> BWB uses the business being registered with the state as criteria for being a pre-existing business. Given this, some businesses which were classified as pre-existing businesses by their owners were reclassified as new businesses and omitted from these analyses.

<sup>b</sup> For categories with an N < 10, counts are provided rather than percentages.

## 9. Building/property-related impacts of businesses<sup>a</sup>

<b>Property taxes</b>	
Percentage who pay property taxes on commercial property (N=68)	6%
<b>Rent</b>	
Percentage who pay rent on commercial property (N=68)	22%
Amount of rent paid monthly on commercial property (N=15)	
Less than \$1,000	80%
\$1,000 to \$1,999	7%
\$2,000 to \$4,999	7%
Don't know	7%
Of those who provided an amount (N=13)	
Mean (per month)	\$790
Median (per month)	\$560
Range (per month)	\$150-\$2,600
Total monthly rent	\$10,265
Estimated total annual rent	\$123,180

Note. Category total may vary from 100% due to rounding.

## 10. Employment impacts of businesses<sup>a</sup>

<b>Does business have <i>paid</i> employees (N=68)</b>	
<b>Yes (N=13)</b>	<b>19%</b>
1 to 2 employees	46%
3 to 5 employees	54%
<b>No, business has no paid employees</b>	<b>81%</b>
Of business with paid employees (N=13)	
Mean number of paid employees	2-3
Median number of paid employees	3
Range	1-5
Total number of paid employees	33
<b>Number of hours per week worked by paid employees (N=31)</b>	
30 or more hours per week	52%
Less than 30 hours per week	48%
<b>Percentage of businesses with paid employees who hire neighborhood residents (N=13)</b>	<b>77%</b>
<b>Percentage of employees who live in the neighborhood where the business is located (N=13)</b>	
0%	23%
10.1% to 50%	8%
50.1% to 90%	8%
90.1% to 100%	62%
Average percent	71%
Median percent	100%
Range	0%-100%
Of all employees (N=33)	
Number of neighborhood residents	21
Percentage who are neighborhood residents	64%

Note. Category total may vary from 100% due to rounding.

<sup>a</sup> Paid employees do not include business owners.

## 10. Employment impacts of businesses<sup>a</sup> (continued)

<b>Race or ethnicity of paid employees (multiple responses possible; N=30)</b>	
African American/Black	47%
Latino/Hispanic	33%
African	10%
Asian	3%
Caucasian/White	3%
Native American	3%
<b>Hourly wage rates of paid employees for whom wage data were available (N=25)</b>	
Less than \$10 an hour	16%
\$10.00 to \$14.99 an hour	36%
\$15.00 to \$19.99 an hour	32%
More than \$20.00 an hour	16%
Mean (per hour)	\$13.98
Median (per hour)	\$13.00
Range (per hour)	\$8.50 - \$21.00
<b>Monthly payroll of owners with paid employees (N=12)</b>	
\$1,000 or less	17%
\$1,001 to \$2,500	0%
\$2,501 to \$5,000	25%
\$5,001 to \$10,000	0%
More than \$10,000	8%
Refused	8%
Don't know	42%
<b>Of those who provided an amount (N=6)</b>	
Mean (per month)	\$6,180
Median (per month)	\$3,800
Total monthly payroll	\$37,080
Estimated annual payroll	\$444,960

Note. Category total may vary from 100% due to rounding.

<sup>a</sup> Paid employees do not include business owners.

## 10. Employment impacts of businesses<sup>a</sup> (continued)

<b>Owners offering health insurance (N=12)</b>	<b>0%</b>
<b>Owners offering paid time off (N=12)</b>	<b>17%</b>
<b>Used outside contractors/subcontractors in prior year (N=67)</b>	<b>43%</b>
Amount paid to contractors/subcontractors in prior year (N=29)	
Under \$2,000	21%
\$2,000 to \$9,999	35%
\$10,000 to \$24,999	21%
\$25,000 or more	7%
Don't know	13%
Missing	3%
Of owners who provided an amount (N=24)	
Mean (for prior year)	\$8,611
Median (for prior year)	\$3,000
Range (for prior year)	\$100-\$45,000
Total dollar value of outside contractors/subcontractors	\$206,675

Note. Category totals may vary from 100% due to rounding.

<sup>a</sup> Paid employees do not include business owners.

## 11. Other contributions to neighborhood economy and quality of life

<b>Estimated yearly business expenses (excluding rent and payroll) (N=67)</b>	
\$0	3%
\$1 to \$999	15%
\$1,000 to \$4,999	25%
\$5,000 to \$9,999	22%
\$10,000 to \$24,999	10%
\$25,000 or more	9%
Refused	2%
Don't know	13%
Of those who provided an amount (N=57)	
Mean (per year)	\$8,267
Median (per year)	\$4,000
Range	\$0-\$50,000
Total expenses (per year)	\$471,200
<b>Percentage of yearly business expenses (excluding rent and payroll) spent within the neighborhood the business is located in (N=66)<sup>a</sup></b>	
0%	15%
1% to 25%	18%
26% to 50%	14%
51% to 90%	30%
91% to 100%	15%
Don't know	8%
Of those who provided a percentage (N=61)	
Mean	51%
Median	50%

Note. Category totals may vary from 100% due to rounding.

<sup>a</sup> Only business owners who provided a business expenses amount and percentage spent in neighborhood are included in analysis.

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

<b>Estimated yearly business expenses (excluding rent and payroll) spent <i>within the neighborhood the business is located</i> (N=67)<sup>a</sup></b>	
\$0	13%
\$1 to \$99	2%
\$100 to \$499	15%
\$500 to \$999	9%
\$1,000 or more	46%
Refused or Don't know	15%
Of those who provided an amount (N=57)	
Mean (per year)	\$3,552
Median (per year)	\$1,020
Range	\$0-\$45,000
Total (per year)	\$202,438
<b>Estimated amount of sales taxes paid each year (N=67)</b>	
\$0/No sales tax	40%
\$1 to \$999	15%
\$1,000 to \$4,999	10%
\$5,000 or more	2%
Don't know	33%
Of those who provided an amount > 0 (N=18)	
Mean (per year)	\$1,704
Median (per year)	\$810
Range (per year)	\$25-\$12,000
Total sales tax (per year)	\$30,680

Note. Category totals may vary from 100% due to rounding.

<sup>a</sup> Only owners who provided an amount for both their business expenses and percent expended in neighborhood are included in the analysis.

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

<b>Time, money, and in-kind contributions</b>	
Percentage of owners reporting contribution of any time, money, or in-kind support to neighborhood events or activities in past 12 months (N=65)	72%
Type of contribution (multiple responses possible)	
Time	52%
In-kind support	52%
Money	31%
None of the above	28%
<b>Dollar value of business contributions to neighborhood events/activities in prior 12 months (N=47)</b>	
\$0/contribution didn't have dollar value	4%
\$1 to \$500	45%
\$501 to \$1,000	13%
\$1,001-\$5,000	26%
Over \$5,000	9%
Don't know	9%
For those who provided an estimated amount > 0 (N=41)	
Mean (prior 12 months)	\$2,903
Median (prior 12 months)	\$800
Range (prior 12 months)	\$40-\$30,000
Total annual contributions	\$119,020
<b>Owners feel they serve as a role model for youth or young adults (N=65)</b>	94%
<b>Owners serve as a leader for groups or organizations in neighborhood or ethnic community (N=65)</b>	57%
<b>Business serves as a community gathering place (N=66)</b>	26%

Note. Category totals may vary from 100% due to rounding.

## 12. Children of business owners assisted by ProsperUS

<b>Parent or guardian to at least one child (N=66)</b>	<b>70%</b>
<b>Number of children that business owner is parent, guardian or primary caretaker of (N=66)</b>	
0	32%
1	18%
2-3	33%
4-5	5%
6 or more	11%
Refused	2%
<b>Of those who provided a number (N=65)</b>	
Mean	2
Median	1
Range	0-11
Total	134
<b>Number of children in household (N=66)</b>	
0	61%
1	20%
2-3	17%
4 or more	3%
Mean	1
Median	0
Range	0-5
Total	45

Note. Category totals may vary from 100% due to rounding.

### 13. Children and family-related impacts of businesses

How has owning your business impacted your family's ability to... (N=43)	Improved	No change and was fine already	No change but could use improvement	Worsened	I'm not sure/Not applicable
Participate in activities outside of school?	40%	40%	9%	0%	12%
Afford enough nutritious food?	30%	49%	14%	7%	0%
Have transportation to get you and your family where you want to go?	30%	54%	9%	5%	2%
Help your children do well in school?	28%	44%	16%	0%	12%
Have stable housing?	26%	54%	16%	2%	2%
Help your children be healthy?	23%	61%	14%	0%	2%
Pay for health care when you or your family need it?	9%	44%	37%	7%	2%

Note. Row totals may vary from 100% due to rounding.

### 14. Children's involvement in businesses

<b>Children either help with business or work for pay at business (N=43)</b>	<b>54%</b>
<b>Children help with the business (N=43)</b>	
Yes	54%
No	47%
<b>Children currently work for pay at the business (N=43)</b>	
Yes	12%
No	88%
<b>If "no," any indication children will work for pay for the business in the future (N=38)</b>	
Yes	53%
No	37%
Don't know	11%
<b>Whether owner believes children will take over business or own their own business one day (N=43)</b>	
Yes, they have already	9%
Yes, I think they will in the future but do not currently	61%
No	21%
Don't know	9%

Note. Category totals may vary from 100% due to rounding.

## 15. Views of ProsperUS' assistance

<b>Perceived influence of ProsperUS on success of business (N=65)</b>	
My business is as successful today largely because of ProsperUS' services	29%
My business is as successful today somewhat or partly because of ProsperUS' services	48%
My business is successful today very little because of ProsperUS' services	11%
My business is no better off or no worse off because of ProsperUS' services	12%
My business would be doing much better if it were not for ProsperUS' services	0%
<b>On a scale of zero to 10, how likely are you to recommend ProsperUS to a friend or colleague? (N=65)</b>	
0 to 1	2%
2 to 3	0%
4 to 5	5%
6 to 7	5%
8 to 9	20%
10	69%

Note. Category totals may vary from 100% due to rounding.

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451 Lexington Parkway North  
Saint Paul, Minnesota 55104  
651-280-2700 | [www.wilderresearch.org](http://www.wilderresearch.org)

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