

# Enterprise Academy

## *Outcome Evaluation*

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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 Enterprise Academy of the Initiative Foundation (Enterprise Academy) in St. Cloud, Minnesota.

## Enterprise Academy

Launched in 2018, the Enterprise Academy provides training, lending, and one-on-one advising services to start and grow vital small businesses. Enterprise Academy is a program through the Initiative Foundation, which believes in the drive and daring of local entrepreneurs to transform their lives and contribute to the revitalization of their communities. Program offerings include a 12-week entrepreneur training program, direct loans up to \$50,000, a gap-lending program for larger loans (requiring a lending leader such as a bank or credit union), and technical assistance and business services in areas such as accounting, management, branding, and legal aspects of business ownership.

## Methodology

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

The surveys were conducted from August through December 2019. Wilder Research began with a list of 30 potential business owners identified by Enterprise Academy. Each potential owner was mailed a letter from Enterprise Academy 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 30 business owners, potential respondents were removed from the sample due to incorrect contact information (N=2) or being ineligible for the study because they said they were not in business (N=3), were not yet in business (N=2), or they didn't receive services from Enterprise Academy (N=2). Finally, there were seven 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 14 potential respondents determined to be in business and for whom contact information was available, five participated in the survey for a response rate of 36%.

## About this report

This report provides information based on the responses of the five business owners surveyed. Due to the small sample size, if one or more individuals did not respond to a question, data was excluded to protect 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.

# Profile of business owners assisted by Enterprise Academy

## Demographics

Three out of the five surveyed business owners lived by themselves or with one other person (Figure 1). The average and median household size was two people.

Four out of the five respondents said they are a parent, guardian, or primary caretaker for at least one child (Figure 1). The average number of children was two, with a median of three children. The total number of children for all business owners was 11.

Three of the five owners had at least one child living in their household (Figure 1). The average and median were two children. In total, 10 children were living with respondents.

## Financial status

Two of the five owners reported an annual income of up to \$30,000, one reported \$30,001 to \$70,000, and one reported more than \$70,000 (Figure 2). One respondent chose not to provide this information or did not know it.

Two respondents said their household income increased as a result of their business (Figure 2). Two said it did not, and one said they did not get income from their business.

When asked if they are more financially independent now than they were the previous year as a result of their business, one surveyed business owners said “quite a bit” and two said “somewhat” (Figure 2). Two responded “not at all.”

## Assistance received from Enterprise Academy

All of the business owners surveyed participated in an entrepreneur or business plan class (Figure 3). In addition, three attended a business workshop, and three received a loan or financing. Two received technical assistance or business services. Three respondents received a combination of services, and two received entrepreneur or business plan training only.

## Businesses assisted by Enterprise Academy

### Current status of businesses assisted by Enterprise Academy

Based on information gathered during the evaluation process, 19 Enterprise Academy alumni currently operate their own businesses. This section describes the businesses of the five owners who participated in this evaluation.

Two businesses had been operating for less than three years, and three had been operating for three years or more (Figure 4). The average and median age of the businesses was three years.

Surveyed business owners were asked whether they started a new business or sustained/expanded a current business with Enterprise Academy assistance. One said they started a new business, and four said they received assistance with a pre-existing business (Figure 4).

All of the businesses were registered with the state (Figure 4). On average and in median, businesses that were registered had been for three years.

Regarding business space, one of the businesses was home-based and four were located in commercial space (Figure 4). All of the surveyed business owners lived in the same neighborhood as their business.

Respondents were asked to estimate the amount of business that comes from within one mile of their location. All said at least some of their customers do, including three who said over half of their customers do (Figure 4). Respondents estimated that an average of 60% and a median of 80% of their business comes from within one mile of their location.

### Yearly gross revenue and debt

Surveyed business owners were asked for their current yearly gross revenue. One respondent said they had no sales to date (Figure 5). Two business owners reported a yearly gross revenue between \$10,001 and \$40,000, and two did not know this information.

Respondents were also asked about their business debt. One business owner had no current business debt (Figure 5). For the remaining business owners, one owed less than \$20,000, and three owed more than \$20,000.

All respondents were asked if the amount of their debt had changed since the previous year. One said it hadn't (Figure 5). Two reported a decrease in debt and two said their debt had increased.

# Neighborhood impacts of businesses assisted by Enterprise Academy

## Employment impacts of businesses

One business owner had paid employees (Figure 6). Four of the respondents hired subcontractors or cash workers in the prior year.

## Other contributions to neighborhood economy and quality of life

### *Economic contributions*

Surveyed business owners were asked to estimate their total yearly business expenses, not including rent and payroll. Two said they spent less than \$10,000, one spent \$25,000 or more, and another respondent did not know (Figure 7).

Surveyed business owners were also asked what percentage of their annual business expenses, excluding rent and payroll, was spent within one to two miles of their business. Two said 26% to 50% of their yearly business expenses was spent within the neighborhood, and two said 51% to 90% was spent in the neighborhood (Figure 7). One business owner did not know. Three business owners said they had spent \$1,000 or more in the past year in their neighborhood, and two did not know how much they had spent in the area.

Four respondents paid sales tax, although most did not know the amount (Figure 7).

### *Contributions to quality of life*

Four of the five surveyed business owners reported contributing some time, money, or in-kind support to neighborhood events or activities in the previous 12 months (Figure 7). Specifically, four donated time, three donated money, and two donated in-kind support.

Surveyed business owners were asked if they serve as role models for youth or young adults. All five said they do (Figure 7).

Two of the five surveyed business owners said they served as leaders for groups or organizations in their neighborhood or ethnic community (Figure 7).

Four of the five respondents said their business serves as a gathering place for the community (Figure 7).

## Views of Enterprise Academy assistance

Surveyed business owners were also asked to choose from a list of statements the one that best describes their business relationship with Enterprise Academy. Two of the five business owners said their business “is as successful as it is today” largely because of Enterprise Academy assistance, and three said it is as successful as it is today somewhat due to the program’s assistance (Figure 8).

# Figures of results

## 1. Demographic profile of business owners assisted by Enterprise Academy

<b>Number in household (N=5)</b>	
Single person or two persons	3
Three or more persons	2
Of those who provided a number (N=5)	
Mean	2
Median	2
<b>Parent or guardian to at least one child (N=5)</b>	<b>4</b>
<b>Number of children that business owner is parent, guardian or primary caretaker of (N=5)</b>	
0	2
1-3	1
4 or more	2
Mean	2
Median	3
Total	11
<b>Number of children in household (N=5)</b>	
0	2
1-3	1
4 or more	2
Mean	2
Median	2
Total	10

Note. For categories with an N < 10, counts are provided rather than percentages.

## 2. Financial status of business owners assisted by Enterprise Academy

<b>Yearly household income (N=5)</b>	
Up to \$30,000	2
\$30,001 to \$70,000	1
More than \$70,000	1
Don't know	1
<b>Income has increased as result of business (N=5)</b>	
Yes	2
No	2
I do not get any personal/household income from my business	1
<b>More financially independent now than last year, because of business (N=5)</b>	
Quite a bit	1
Somewhat	2
A little	0
Not at all	2

Note. Category totals may vary from 100% due to rounding. For categories with an N < 10, counts are provided rather than percentages.

## 3. Services received from Enterprise Academy

<b>Services received from Enterprise Academy (multiple responses possible; N=5)</b>	
Entrepreneur/Business Plan training class	5
Business workshop	3
Loan or financing	3
Technical assistance/Business services	2
<b>Total services received from Enterprise Academy</b>	
Combination of services	3
Entrepreneur/Business Plan training class only	2

Note. Category totals may vary due to multiple responses being allowed, when indicated. For categories with an N < 10, counts are provided rather than percentages.

#### 4. Current status of business

<b>New or existing business (N=5)</b>	
New business	1
Existing business (expanded, sustained or turned around)	4
<b>Business is registered (N=5)</b>	<b>5</b>
<b>Years since business registration (N=5)</b>	
Less than 3 years	2
3 years or more	3
Mean	3
Median	3
<b>Years business in operation (N=5)</b>	
Less than 3 years	2
3 years or more	3
Mean	3
Median	3
<b>Current business space (N=5)</b>	
Home-based business	1
Commercial space	4
<b>Owner lives in same neighborhood as business (N=5)</b>	<b>5</b>
<b>Percentage of business clients from immediate neighborhood (N=5)</b>	
1% to 25%	1
25.1% to 50%	1
50.1% to 100%	3
Mean percent	60%
Median percent	80%

Note. For categories with an N < 10, counts are provided rather than percentages.

## 5. Yearly gross revenue and debt

<b>Yearly gross revenue from business (N=5)</b>	
No revenue to date	1
\$1-\$10,000	0
\$10,001 to \$40,000	2
More than \$40,000	0
Don't know	2
<b>Total amount of current business debt (N=5)</b>	
\$0/No business debt	1
\$5,001 to \$20,000	1
\$20,001 to \$75,000	3
<b>Change in business debt since previous year (N=5)</b>	
Current business debt is less than previous year	2
Current business debt is the same as the previous year	1
Current business debt is more than the previous year	2

Note. For categories with an N < 10, counts are provided rather than percentages.

## 6. Employment impacts of businesses

<b>Does business have <i>paid</i> employees (N=5)</b>	
Yes	1
No, business has no paid employees	4
<b>Used outside contractors/subcontractors in prior year (N=5)</b>	
	4

Note. For categories with an N < 10, counts are provided rather than percentages.

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

<b>Estimated yearly business expenses (excluding rent and payroll) (N=5)</b>	
\$1,000 to \$9,999	2
\$10,000 to \$24,999	0
\$25,000 or more	1
Don't know	2
<b>Percentage of yearly business expenses (excluding rent and payroll) spent within the neighborhood the business is located in (N=5)</b>	
0% to 25%	0
26% to 50%	2
51% to 90%	2
91% to 100%	0
Don't know	1
<b>Number of owners who pay sales tax (N=5)</b>	<b>4</b>
<b>Time, money, and in-kind contributions</b>	
Number of owners reporting contribution of any time, money, or in-kind support to neighborhood events or activities in past 12 months (N=5)	4
Type of contribution (multiple responses possible)	
Time	4
Money	3
In-kind support	2
None of the above	1
<b>Owners feel they serve as a role model for youth or young adults (N=5)</b>	<b>5</b>
<b>Owners serve as a leader for groups or organizations in neighborhood or ethnic community (N=5)</b>	<b>2</b>
<b>Business serves as a community gathering place (N=5)</b>	<b>4</b>

Note. For categories with an N < 10, counts are provided rather than percentages.

## 8. Views of Enterprise Academy assistance

<b>Perceived influence of Enterprise Academy on success of business (N=5)</b>	
My business is as successful today largely because of Enterprise Academy services	2
My business is as successful today somewhat or partly because of Enterprise Academy services	3
My business is successful today very little because of Enterprise Academy services	0
My business is no better off or no worse off because of Enterprise Academy services	0
My business would be doing much better if it were not for Enterprise Academy services	0

Note. For categories with an N < 10, counts are provided rather than percentages.

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Wilder Research, a division of Amherst H. Wilder Foundation, is a nationally respected nonprofit research and evaluation group. For more than 100 years, Wilder Research has gathered and interpreted facts and trends to help families and communities thrive, get at the core of community concerns, and uncover issues that are overlooked or poorly understood.

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