



# National Small Business Poll

NFIB National

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## Small Business Poll

*Crime*

# NFIB National Small Business Poll

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The *National Small Business Poll* is a series of regularly published survey reports based on data collected from national samples of small business employers. Eight reports are produced annually with the initial volume published in 2001. The *Poll* is designed to address small business-oriented topics about which little is known but interest is high. Each survey report treats different subject matter.

The survey reports in this series generally contain three sections. The first section is a brief Executive Summary outlining a small number of themes or salient points from the survey. The second is a longer, generally descriptive, exposition of results. This section is not intended to be a thorough analysis of the data collected nor to explore a group of formal hypotheses. Rather, it is intended to textually describe that which appears subsequently in tabular form. The third section consists of a single series of tables. The tables display each question posed in the survey broken-out by employee size of firm.

Current individual reports are publicly accessible on the NFIB Web site ([www.nfib.com/research](http://www.nfib.com/research)) without charge. They are also available at [www.411smallbusinessfacts.com](http://www.411smallbusinessfacts.com). The 411 site also allows the user to search the entire data base. It searches all of the questions in all of the individual Polls with a user-friendly Google-type, key word, topic, or Poll sort facility.

Published (printed) reports can be obtained at \$15 per copy or by subscription (\$100 annually) by writing the *National Small Business Poll*, NFIB Research Foundation, 1201 "F" Street, NW, Suite 200, Washington, DC 20004. The micro-data and supporting documentation are also available for those wishing to conduct further analysis. Academic researchers using these data for public informational purposes, e.g., published articles or public presentations, and NFIB members can obtain them for \$20 per set. The charge for others is \$1,000 per set.

NFIB National  
Small Business  
Poll



*Crime*

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# National Small Business Poll



## *Crime*

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# Executive Summary

- Crime is a moderate to low priority problem for small business, though 15 percent term it a “very high” priority. One reason for the relatively low ranking is that virtually no small businesses (2%) are located in self-defined high crime areas.
- The most common type of criminal activity against small business is vandalism, with 22 percent experiencing at least one act of vandalism in the last three years and 11 percent experiencing multiple acts. Employee theft, not including embezzlement, and burglary/robbery (classified as one type of criminal activity) followed.
- Fifty-two (52) percent of small, employing businesses had criminal activity perpetrated on or in those firms over the last three years.
- Criminal activity appears committed against businesses in some industries more often than in others with some types of crime more often associated with some industries than others. Retail, construction, and certain service industries appear more frequently subject than other industries. Shoplifting is most common to the retail industry. Larger, small businesses also have more problems in this regard than smaller, small businesses.
- The illicit activity of most frequent concern to small employers is burglary/robbery followed by employee theft, credit card fraud, and check fraud. Fourteen (14) percent were not concerned by any type of crime against their businesses.
- The median direct, uninsured losses incurred by a small business over the last three years due to criminal activity was about \$1,000 with the 75th percentile at about \$5,000.
- Changes made to businesses that experienced illegal actions over the last three years include: changes in operations and procedures (68%), changes in employee training (52%), and investments of \$5,000 or more (17%).
- Seventy-nine (79) percent have “very much” or “much” confidence in their local police authority. Forty-two (42) percent know, on a first-name basis, one or more law enforcement officials who patrol the area in which their business is located.
- The first line of protection for 10 percent of small businesses is private security guards. Of those who have security guards, 51 percent express “very much” or “much” confidence in them.
- Among the crime prevention measures taken are: outside security lights turned on at night when located on the bottom or ground floor (86%), inside security lights turned on at night (64%), a security system (62%), tagging and numbering all major pieces of equipment and inventory (50%), checking police records on at least some prospective hires (46%), and requiring all invoices paid and checks signed to be reviewed by at least two people (40%).
- Insurers are more likely to provide small employers financial incentives to take crime prevention steps than to require small business owners to take such steps in order to obtain coverage.

# Crime

Crime, both against people and against property, has declined over the last several years, and rather substantially. The accompanying concern seems to have declined as well. Still, crime occurs more frequently than anyone would like. And, crime remains a business cost if for no other reason than the crime prevention steps taken to deter illicit conduct consumes management time and requires direct outlays on crime prevention measures, higher taxes to pay for law enforcement and security, and larger insurance premiums to pay for the consequences of criminal activity. It also dampens business in some neighborhoods by heightening fear among potential customers. This issue of the *National Small Business Poll*, therefore, focuses on Crime.

Two-thirds (67%) of small businesses are located in areas their owners term “low crime areas” and another 20 percent in areas they term “somewhat low crime areas” (Q#25). Just 2 percent think their businesses are sited in a “high crime area” and 11 percent in a “somewhat high crime area”. Still, crime prevention is a high priority for 33 percent of small employers, almost half of whom consider it a very high priority; 47 percent think it is a low priority and 19 percent a moderate priority (Q#1).

The larger the firm, the more concerned its owner is about crime prevention. Fifty (50) percent of those operating firms with more than 20 employees consider crime prevention a “high” or “very high” priority for their firms compared to just 30 percent operating firms of fewer than 10 employees.

## Recent Crime Experience

During the last three years, few firms experienced crime often and 48 percent experienced no crime at all. The most prevalent type experienced was vandalism. Twenty-two (22) percent indicate that they encountered at least one act of vandalism against their business in the last three years (Q#2A). Half of that 22 percent report a single instance, the other half multiple instances. The least prevalent type of crime was violence to one’s person, such as mugging. Ninety-eight (98)

percent had no experience with that type of criminal activity during the reference period (Q#2I). However, 3 percent had at least one shake-down attempt or threat, in which physical violence is often implied (Q#2K).

The most prevalent class of crime appears to be theft. Twenty (20) percent had a robbery or a burglary over the last three years (Q#2F). While 12 percent experienced one, 8 percent experienced more than one, suggesting a considerable problem. Shoplifting was another type of theft that many acknowledged, the crime being particularly severe for retailers and personal service firms. Fourteen (14) percent experienced shoplifting and the overwhelming majority of those on multiple occasions (Q#2B). In fact, shoplifting joined check fraud as the most common repeat criminal activity experienced.

Employee theft is another common type of illicit activity. Nineteen (19) percent of small businesses encountered it in the last three years, 11 percentage points more than once (Q#2G). Employee theft appears more common in the goods producing industries than in the services, though the survey shed no light on the reason. The survey identified embezzlement, a specific form of employee theft, as a separate class of crime. Four percent report its occurrence over the reference period (Q#2E). Stolen deliveries, a crime potentially committed by outsiders or



employees, was less frequent. Still, 7 percent report at least one instance in the last three years (Q#2J).

Payment fraud is also one of the more common types of criminal actions that small firms encounter. Seventeen (17) percent ran into check fraud over the last three years, 11 percent multiple times (Q#2D) and 12 percent credit card fraud, 6 percent multiple times (Q#2H). But, there is no evidence this type of fraud is confined to firms serving the general public.

Comparatively few, 3 percent, report illegal sale of controlled substance or drugs (Q#2C). Though the survey did not specifically mention such offenses as arson or cyber-crimes, respondents had the opportunity to identify them. They virtually never did and instead chose to reiterate their concern with robbery and burglary (Q#2L).

A strong size component appears in these evaluations. The most notable is employee theft. Forty (40) percent of the largest small firms experienced employee theft in the last three years compared to just 16 percent experienced among the smallest. Greater size obviously means greater potential to have an employee engaging in theft. Still, it is an open question whether there are factors inherently related to size, such as esprit d'corps, that may also affect this outcome.

The criminal activity that generates the most concern is burglary and/or robbery. Twenty four (24) percent indicate it is the one type of illegal activity that concerns them most (Q#2a). The second most cited is “none” at 14 percent, these small business owners being unconcerned about crime. Employee theft is the most frequently cited by 11 percent, but the concern is highly centered on those firms employing more than 10 people. Vandalism creates greatest concern for 10 percent, followed by credit card fraud (8%), check fraud (8%), and violence on a person (7%), though the crime rarely occurs.

Most of the uninsured losses from criminal activity are relatively small. The median uninsured loss among those experiencing any loss from a crime(s) was about \$1,000, the 75th percentile being about \$5,000 (Q#3). However, 7 percent claim to have lost \$25,000 or more in the last three years, a tidy sum just to have been wasted on someone else's avarice or irresponsibility.

Considerable amounts of crime go unreported. Just 43 percent of small business owners who experienced criminal activity in the last three years reported all incidents to the police (Q#4). In contrast, 35 percent did not report any of it. The data are not sufficiently precise to allow determination whether the frequency and seriousness of the crime is tied to report of crime, though it likely is so.

## Changes Due to Crime

If a business is a victim of criminal activity, it is highly likely the owners will evaluate the incident(s) and determine whether changes in the operation and set-up of the business are warranted. They often are. For example, 68 percent who experienced a crime in the last three years changed their operations and/or procedures (Q#5A). Fifty-two (52) percent changed employee training (Q#5B). And, 17 percent made an investment in security measures of greater than \$5,000 (Q#5C). Of those who did not make an investment that large, 33 percent experiencing criminal activity, or 28 percent of the population, made one over \$1,000 (Q#5D).

## Local Law Enforcement

Part of being safe is feeling safe. Small business owners generally feel a police presence in the neighborhood where their business operates, protecting their person, employees, and property. Forty-three (43) percent strongly agreed that they sensed such a presence and 39 percent agreed (Q#7). However, 12 percent disagreed and 5 percent strongly disagreed.

Owners also generally have confidence in their local police authority. Sixty-nine (69) percent have “very much” or “much” confidence in them while 10 percent have “little” or “very little” in them (Q#8). Twenty-one (21) percent express “moderate” confidence.

Working cooperatively with local law enforcement is often a good way to prevent crime. Such cooperation has a variety of dimensions. One indicator of cooperation is how well the business owner knows the officer(s) that patrol the area where the business is located. Forty-two (42) percent of small employers claim to know, on a first-name basis, one or more of these law enforcement officials (Q#6).

A second way to work cooperatively is for police to sponsor, host or participate

in sessions with area business owners to help owners undertake crime prevention measures, stay informed of pertinent developments, etc. Twenty-one (21) percent say that the local police or sheriff's department organized or participated in a program, panel, or meeting with area business owners on ways to prevent crime in the last three years (Q#10). Similarly, 17 percent say that the local police or sheriff's department has inspected their place of business and made crime prevention recommendations (Q#9).

Security guards, that is, uniformed private security personnel who are not part of the local authorities, increasingly augment and complement police and sheriff's department personnel. Ten (10) percent of small business owners now think that security guards that they or their landlords pay have become the first line of protection for their business rather than the police (Q#12). The level of confidence shown in private security guards, typically considered inferior to police and without their powers, remains positive. Twenty-five (25) percent have "very much" confidence in their security guards and 26 percent have "much" confidence in them (Q#12a). However, 33 percent have "some" confidence in them while 14 percent have "little" or "very little."

Self-help is also important. Twenty (20) percent have a Neighborhood Watch-type program in the area where business owners look out for one another (Q#11). But only 52 percent of those with such a program think that the program is strong compared to 38 percent who consider it weak (Q#11a). Part of the strength or weakness of such a program is business neighbors knowing business neighbors. Where such Neighborhood Watch-type programs exist, 26 percent of small employers claim to know all their business neighbors, 31 percent most of them, 34 percent some of them, and 9 percent none of them (Q#11b). Given that these owners participate in a cooperative program with other business owners, the level of familiarity with neighboring business owners appears quite low.

## Crime Prevention

Police departments often prepare and publish lists of recommended crime prevention steps for local business owners. Items are remarkably similar from list to list, so a core of advis-

able actions can be readily identified. They can be roughly categorized as involving investment, employees, and operations.

Sixty-two (62) percent of small businesses have some type of security system to prevent intruders (Q#13). However, 82 percent of the largest have them. The systems could include alarms or security cameras of some type. Thirty-four (34) percent have security cameras, the largest businesses having them almost twice as often as the smallest (Q#14).

Lighting is often a recommended method to reduce crime, both interior and exterior. Sixty-four (64) percent of all small businesses have interior lighting that is turned on at night (Q#20). But exterior lighting is not usually necessary for those on the second story or higher in a building. Ninety-one (91) percent of small businesses are sited on the street or ground floor (Q#21). Of that number, 86 percent have outside security lights that are turned on at night (Q#21b). Ninety-six (96) percent of the largest, small businesses use outdoor lighting.

Businesses on the ground floor can also be vulnerable to entry through broken windows. Twenty-eight (28) percent of these firms have installed burglar-proof window panes or metal screens to cover them (Q#21a).

Employees can also be a source of problems. One means to avoid them is to check the backgrounds and references of job applicants and/or possible hires. In fact, 27 percent of small employers check police records on all prospective employees themselves or have someone do it for them (Q#15). Another 14 percent check some prospective employees in this manner and another 6 percent check only key prospective employees against police records. A little over half (53%) do not ever check police records.

Another cautionary means to prevent crime is to install payment systems among employees handling checks or other forms of money. One way is to require that all invoices are paid, all checks signed, and all outgoing payments be signed by the owner or a family member. Eighty-three (83) percent follow this procedure (Q#17). The smaller the business, the more common it is. A more elaborate procedure demands that all invoices paid, all checks signed, and all

incoming payments recorded be reviewed by a minimum of two people. Forty (40) percent employ this financial management technique (Q#18). Larger, small firms are almost twice as likely to use it than smaller, small firms. Just 6 percent did not apply one of the two while 29 percent applied both.

Employees can also be a solution to crime problems and almost always employees would like to help. One means is enabling employees to identify fraudulent credit cards and/or checks. Forty-four (44) percent of small employers claim to train relevant employees to spot them (Q#16).

Numbering and tagging all major pieces of business equipment and inventory has become increasingly easy with bar codes, scanners, and portable computers. Half (50%) of all small employers take the numbering and tagging crime prevention step with those employing 10 or more people substantially more likely to do so than those employing fewer than 10 (Q#19).

## Insurance Companies

Small business owners buy insurance to protect themselves from losses resulting from crime. Insurance companies, therefore, have a considerable interest in ensuring that small business owners take reasonable steps to prevent it. Crime prevention, therefore, should be a partnership between small businesses and insurance companies with insurance companies providing incentives to small employers to help themselves, and to a modest extent it is.

An insurer can require a small business owner to take certain crime prevention steps before it provides coverage. Seventeen (17) percent of small employers indicate that their insurers require them to do so (Q#22). The incentive-based approach is more common. Thirty-four (34) percent, again with no differences between large and small, give discounts or rebates for taking specific crime prevention steps (Q#23). Firm size is associated with neither.

Another method insurers employ is to provide small business owners information on steps they can take to prevent crime. Nineteen (19) percent indicate their insurer provides them information on crime prevention steps (Q#24). Larger firms receive such information somewhat more frequently than smaller firms.

## Final Comments

Crime no longer fits high in the pantheon of small business problems, but crime and crime prevention generate unnecessary business costs which fall high on any small business problem list. Many remain concerned about the problem however, if not explicitly, at least implicitly, as evidenced by the location of their businesses in relatively low crime areas and the crime prevention steps they take. Still, a large proportion do not feel compelled to take even rudimentary crime prevention steps, particularly owners of the smallest, excepting the handling of finances which appears to generate increased caution.

Of note is the confidence that a large percentage expressed in their local law enforcement authority. With the clear relationship between physical location in a low crime neighborhood and confidence in the local police, it is not obvious that the association is causal, let alone the direction of any causality existing.

# Crime

(Please review notes at the table's end.)

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
<b>1. Is crime prevention a very high, high, moderate, low or very low priority for management in your business?</b>				
1. Very high	14.0%	20.0%	19.2%	15.2%
2. High	15.9	21.1	30.8	17.9
3. Moderate	19.2	21.1	17.9	19.3
4. Low	25.9	24.4	20.5	25.2
5. Very low	24.2	13.3	11.5	21.7
6. DK/Refuse	0.9	—	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757
<b>2. Within the last three years, have you experienced the following types of criminal activity on your business premises often, occasionally, once, or not at all?</b>				
<b>A. Vandalism</b>				
1. Often	1.1%	2.2%	2.6%	1.4%
2. Occasionally	8.0	15.7	20.8	10.1
3. Once	10.1	11.2	14.3	10.6
4. Not at all	80.8	70.8	62.3	77.9
5. DK/Refuse	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757
<b>B. Shoplifting</b>				
1. Often	1.7%	1.1%	3.9%	1.9%
2. Occasionally	8.8	13.5	14.3	9.8
3. Once	2.4	3.4	2.6	2.5
4. Not at all	86.8	80.9	77.9	85.3
5. DK/Refuse	0.3	1.1	1.3	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms

**C. Illegal sale of controlled substances or drugs**

1. Often	0.3%	—%	—%	0.2%
2. Occasionally	1.6	1.1	3.8	1.7
3. Once	0.9	1.1	—	0.9
4. Not at all	96.4	96.6	93.6	96.1
5. DK/Refuse	0.8	1.1	2.6	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D. Check fraud**

1. Often	1.1%	2.2%	2.6%	1.4%
2. Occasionally	8.8	10.1	16.7	9.7
3. Once	5.5	5.6	5.1	5.5
4. Not at all	84.6	82.0	74.4	83.3
5. DK/Refuse	—	—	1.3	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**E. Embezzlement (Not including employee theft.)**

1. Often	—%	—%	—%	—%
2. Occasionally	0.3	2.2	2.6	1.4
3. Once	1.6	3.4	5.1	2.1
4. Not at all	97.8	94.4	91.0	96.8
5. DK/Refuse	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**F. Robbery or Burglary**

1. Often	0.8%	—%	3.8%	1.0%
2. Occasionally	6.1	10.1	11.5	7.1
3. Once	11.3	13.5	12.8	11.7
4. Not at all	81.8	76.4	71.8	80.2
5. DK/Refuse	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**G. Employee theft (Not including embezzlement.)**

1. Often	1.1%	2.2%	2.6%	1.4%
2. Occasionally	6.9	11.2	25.0	9.1
3. Once	7.7	9.0	11.8	8.2
4. Not at all	84.0	77.5	59.2	80.9
5. DK/Refuse	0.3	—	1.3	0.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>353</b>	<b>203</b>	<b>201</b>	<b>757</b>

**H. Credit card fraud**

1. Often	0.3%	—%	1.3%	0.4%
2. Occasionally	4.4	9.1	15.6	6.0
3. Once	5.3	3.4	5.2	5.1
4. Not at all	89.6	87.5	77.9	88.3
5. DK/Refuse	0.3	—	—	0.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>353</b>	<b>203</b>	<b>201</b>	<b>757</b>

**I. Violence on a person, such as mugging**

1. Often	—%	—%	—%	—%
2. Occasionally	0.3	—	3.9	0.6
3. Once	1.9	1.1	—	1.6
4. Not at all	97.8	98.9	96.1	97.8
5. DK/Refuse	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>353</b>	<b>203</b>	<b>201</b>	<b>757</b>

**J. Stolen deliveries**

1. Often	—%	1.1%	—%	0.1%
2. Occasionally	1.9	2.2	9.1	2.6
3. Once	4.2	2.2	2.6	3.9
4. Not at all	93.9	94.4	88.3	93.4
5. DK/Refuse	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>353</b>	<b>203</b>	<b>201</b>	<b>757</b>

**Employee Size of Firm**

	1-9 emp	10-19 emp	20-249 emp	All Firms
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**K. Threats or shake-downs**

1. Often	—%	—%	—%	—%
2. Occasionally	0.2	—	2.6	0.4
3. Once	3.0	1.1	3.9	2.9
4. Not at all	96.9	98.9	93.4	96.8
5. DK/Refuse	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**L. Other**

1. Theft/Burglary	2.4%	4.5%	2.6%	2.6%
2. Other	3.4	2.3	—	3.0
3. None	94.2	93.2	97.4	94.4
4. DK/Refuse	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**2a. Of the types of criminal activity just mentioned, which ONE is of most concern to you?**

1. Vandalism	10.0%	8.1%	11.7%	10.0%
2. Shoplifting	4.5	3.5	3.9	4.4
3. Illegal sale of controlled substances or drugs	4.1	3.5	6.5	4.2
4. Check fraud	7.8	7.0	6.5	7.6
5. Embezzlement	2.5	8.1	6.5	3.5
6. Robbery/Burglary	24.1	25.6	19.5	23.8
7. Employee theft	9.4	17.4	16.9	11.0
8. Credit card fraud	8.8	5.8	6.5	8.2
9. Violence on a person	6.9	4.7	9.1	6.9
10. Stolen deliveries	1.6	—	—	1.2
11. Threats/Shakedown	1.4	1.2	1.3	1.6
12. Other	1.6	2.3	1.3	1.6
13. None	14.6	11.6	6.5	13.5
14. DK/Refuse	2.6	1.2	3.9	2.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**3. Please estimate the amount of uninsured losses, including repair or replacement, that your business incurred directly in the last three years due to crime. (If “DK,” Was the loss closest to \$1,000, \$10,000, \$25,000 or \$50,000?) (If at least some criminal activity in Q#2A – Q#2L.)**

1. < \$1,000	49.1%	40.4%	32.8%	45.8%
2. \$1,000 - \$1,999	14.6	12.8	13.8	14.3
3. \$2,000 - \$4,999	11.1	23.4	12.1	12.6
4. \$5,000 - \$9,999	8.2	6.4	12.1	8.5
5. \$10,000 - \$24,999	10.1	10.6	17.2	11.6
6. \$25,000 or more	7.0	6.4	12.1	7.3
7. DK/Refuse	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>180</b>	<b>117</b>	<b>153</b>	<b>450</b>

**4. Did you report all, most, some or none of this criminal activity to the police?**

1. All	42.3%	48.1%	41.4%	42.9%
2. Most	6.5	5.8	12.1	7.1
3. Some	12.0	19.2	19.0	13.8
4. None	38.0	25.0	27.6	35.0
5. DK/Refuse	1.2	1.9	—	1.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>180</b>	<b>117</b>	<b>153</b>	<b>450</b>

**5. Due to crime your business has experienced in the last three years, have you made:?**

**A. Changes in your operations or procedures**

1. Yes	66.4%	71.7%	72.9%	67.9%
2. No	33.0	28.3	27.1	31.7
3. DK/Refuse	0.6	—	—	0.5
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>180</b>	<b>117</b>	<b>153</b>	<b>450</b>

**B. Changes to employee training**

1. Yes	49.5%	55.8%	59.3%	51.6%
2. No	49.8	44.2	40.7	47.9
3. DK/Refuse	0.6	—	—	0.5
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>180</b>	<b>117</b>	<b>153</b>	<b>450</b>



**C. An investment in security measures of \$5,000 or more**

1. Yes	13.6%	20.8%	30.5%	16.7%
2. No	85.5	79.2	69.5	82.6
3. DK/Refuse	0.9	—	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	180	117	153	450

**D. An investment in security measures of \$1,000 or more (If “No” or “DK/Refuse” in Q#5C.)**

1. Yes	31.4%	41.5%	39.0%	33.4%
2. No	67.5	58.5	61.0	65.7
3. DK/Refuse	1.1	—	—	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	156	95	107	358

**6. Do you know, on a first name basis, any law enforcement official who patrols or otherwise polices the area in which your business is located? Do NOT include private security guards.**

1. Yes	41.9%	40.4%	42.3%	41.8%
2. No	58.1	59.6	57.7	58.2
3. DK/Refuse	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**7. Do you strongly agree, agree, disagree, or strongly disagree that you feel a police presence in the neighborhood of your business protecting your person, your employees, and your property?**

1. Strongly agree	42.5%	45.6%	44.9%	43.0%
2. Agree	38.1	41.1	39.7	38.6
3. Disagree	12.4	7.8	11.5	11.8
4. Strongly disagree	5.8	3.3	2.6	5.2
5. DK/Refuse	0.8	2.2	1.3	1.3
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**8. Do you have very much, much, some, little, or very little confidence in your local police authority?**

1. Very much	38.9%	37.8%	42.2%	39.1%
2. Much	29.8	32.2	25.6	29.7
3. Some	19.8	22.2	25.6	20.6
4. Little	3.8	1.1	1.3	3.2
5. Very little	6.9	5.6	5.1	6.6
6. DK/Refuse	0.8	1.1	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**9. Within the last three years, has the local police or sheriff's department inspected your place of business and made crime prevention recommendations?**

1. Yes	16.5%	20.2%	21.8%	17.4%
2. No	83.5	79.8	76.9	82.5
3. DK/Refuse	—	—	1.3	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**10. Within the last three years, has the local police or sheriff's department organized or participated in a program, panel, or meeting with area business owners on ways and means to prevent crime?**

1. Yes	21.0%	19.1%	19.2%	20.6%
2. No	68.3	70.8	69.2	68.7
3. DK/Refuse	10.7	10.1	11.5	10.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**11. Do you have a Neighborhood Watch-type program in the area where your business is located?**

1. Yes	20.4%	22.5%	16.9%	20.3%
2. No	74.1	71.9	75.3	74.0
3. DK/Refuse	5.5	5.6	7.8	5.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

Employee Size of Firm  
 1-9 emp    10-19 emp    20-249 emp    All Firms

**I 1a. Is the Neighborhood Watch-type program in your area a strong one or a weak one?**

1. Strong	51.2%	—%	—%	51.9%
2. Weak	38.0	—	—	37.7
3. DK/Refuse	10.1	—	—	9.9
Total	100.0%	100.0%	100.0%	100.0%
N	72	45	34	151

**I 1b. Do you know all, most, some, or none of the owners or managers of neighboring businesses?**

1. All	23.1%	—%	—%	25.6%
2. Most	32.3	—	—	31.1
3. Some	33.8	—	—	33.5
4. None	9.2	—	—	8.5
5. DK/Refuse	1.5	—	—	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	72	45	34	151

**12. Are private security guards, paid either by you or a landlord, the first line of protection for your business rather than police?**

1. Yes	9.1%	11.4%	14.3%	9.9%
2. No	89.5	88.6	85.7	89.0
3. DK/Refuse	1.4	—	—	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**12a. Do you have very much, much, some, little, or very little confidence in your private security guards?**

1. Very much	—%	—%	—%	24.7%
2. Much	—	—	—	26.0
3. Some	—	—	—	32.5
4. Little	—	—	—	7.8
5. Very little	—	—	—	6.5
6. DK/Refuse	—	—	—	2.6
Total	100.0%	100.0%	100.0%	100.0%
N	33	25	29	87

**13. Is your business protected by a security system of some type to prevent intruders?**

1. Yes	58.7%	70.8%	81.8%	62.3%
2. No	40.8	28.1	18.2	37.2
3. DK/Refuse	0.5	1.1	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**14. Does your business have a security camera or cameras?**

1. Yes	29.8%	42.7%	57.1%	33.9%
2. No	68.9	56.2	41.6	64.9
3. DK/Refuse	1.2	1.1	1.3	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**15. Do you, or someone on your behalf, check police records of all your prospective employees, some prospective employees, only key prospective employees, or none of them, before hiring them?**

1. All prospects	24.1%	34.1%	38.5%	26.6%
2. Some prospects	12.3	18.2	19.2	13.6
3. Key prospects only	5.3	4.5	11.5	5.9
4. None	56.9	43.2	29.5	52.7
5. DK/Refuse	1.4	—	1.3	1.3
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**16. Do you train relevant employees to look for fraudulent credit cards and checks?**

1. Yes	42.1%	44.9%	54.5%	43.6%
2. No	55.3	51.7	44.2	53.8
3. DK/Refuse	2.6	3.4	1.3	2.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**17. Do you, or a member of your household, pay ALL the invoices, sign ALL the checks, and record ALL incoming payments?**

1. Yes	86.3%	70.8%	67.5%	82.8%
2. No	13.2	28.1	32.5	16.7
3. DK/Refuse	0.5	1.1	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

Employee Size of Firm  
 1-9 emp    10-19 emp    20-249 emp    All Firms

**18. Do you require that ALL invoices paid, ALL checks signed, and ALL incoming payments recorded be reviewed by at least two people?**

1. Yes	34.7%	54.5%	62.3%	39.5%
2. No	64.4	45.5	37.7	59.7
3. DK/Refuse	1.0	—	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**19. Do you tag and number all major pieces of business equipment and inventory?**

1. Yes	46.8%	65.2%	61.5%	50.2%
2. No	52.1	34.8	37.2	48.8
3. DK/Refuse	1.1	—	1.3	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**20. Do you have inside security lights that are turned on at night?**

1. Yes	59.5%	79.8%	80.5%	63.8%
2. No	38.3	20.2	16.9	34.2
3. DK/Refuse	2.2	—	2.6	2.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**21. Is your business located on the ground or street floor?**

1. Yes	90.9%	91.0%	93.5%	91.2%
2. No	8.5	9.0	56.9	34.2
3. DK/Refuse	0.6	—	1.3	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**21a. Does your business have burglar-proof window panes or a metal screen over them? (If “Yes” in Q#21.)**

1. Yes	27.3%	29.6%	31.0%	27.9%
2. No	71.6	69.1	67.6	71.0
3. DK/Refuse	1.0	1.2	1.4	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	322	186	186	694

**21b. Do you have an outside security light or lights that are turned on at night?**

1. Yes	84.3%	91.4%	95.8%	86.2%
2. No	15.7	8.6	2.8	13.7
3. DK/Refuse	—	—	1.4	0.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	322	186	186	694

**22. Does your insurance company require you to take specific crime prevention steps before it will insure you?**

1. Yes	17.1%	19.1%	16.9%	17.3%
2. No	76.8	70.8	71.4	75.6
3. DK/Refuse	6.1	10.1	11.7	7.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**23. Does your insurance company give you discounts or rebates for taking specific crime prevention steps?**

1. Yes	34.0%	34.1%	34.6%	34.0%
2. No	48.3	50.0	42.3	47.9
3. DK/Refuse	17.8	15.9	23.1	18.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**24. In the last three years, has your insurance company provided you any information or assistance on steps you can take to prevent crime?**

1. Yes	17.3%	27.0%	26.9%	19.3%
2. No	77.6	69.7	66.7	75.6
3. DK/Refuse	5.2	3.4	6.4	5.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**25. Would you describe the area in which your business is located as a?:**

1. High crime area	1.9%	1.1%	3.8%	2.0%
2. Somewhat high crime area	9.9	13.5	12.8	10.6
3. Somewhat low crime area	18.4	27.0	21.8	19.7
4. Low crime area	69.4	58.4	60.3	67.3
5. DK/Refuse	0.5	—	1.3	0.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

## Demographics

### D1. Which best describes your position in the business?

1. Owner/Manager	87.0%	87.6%	83.1%	86.7%
2. Owner, but not manager	8.8	6.7	5.2	8.2
3. Manager, but not owner	4.2	5.6	11.7	5.1
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

### D2. Is your primary business activity: (NAICs code)

1. Agriculture, forestry, fishing	4.1%	1.1%	1.3%	3.5%
2. Construction	9.6	11.2	12.7	10.0
3. Manufacturing, mining	8.7	10.0	11.4	9.1
4. Wholesale trade	4.2	6.7	6.3	4.7
5. Retail trade	20.5	16.8	15.2	19.6
6. Transportation and warehousing	2.0	2.2	3.8	2.2
7. Information	1.7	1.1	3.8	1.9
8. Finance and insurance	2.7	5.6	2.5	3.0
9. Real estate and rental/leasing	5.2	4.5	3.8	5.0
10. Professional/scientific/ technical services	14.3	11.2	7.6	13.3
11. Admin. support/waste management services	2.8	4.5	2.5	3.0
12. Educational services	0.2	1.1	—	0.2
13. Health care and social assistance	6.4	3.4	7.6	6.2
14. Arts, entertainment or recreation	1.9	1.1	1.3	1.7
15. Accommodations or food service	3.1	11.2	15.2	5.2
16. Other service, incl. repair, personal service	12.7	6.7	3.8	11.2
17. Other	—	1.1	1.3	0.2
18. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D3. Over the last two years, have your real volume sales?:**

1. Increased by 30 percent or more	10.1%	11.4%	19.2%	11.1%
2. Increased by 20 to 29 percent	8.8	10.2	12.8	9.4
3. Increased by 10 to 19 percent	22.3	28.4	28.2	23.6
4. Increased by < 10 percent	15.9	17.0	15.4	16.0
5. (No change)	3.3	3.4	1.3	3.1
6. Decreased by < 10 percent	5.3	11.4	7.7	6.2
7. Decreased by more than 10 percent	31.3	15.9	11.5	27.7
8. (DK/Refuse)	3.0	2.3	3.9	3.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D4. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?**

1. Yes	23.5%	4.5%	3.8%	19.5%
2. No	75.4	95.5	93.5	79.4
3. (DK/Refuse)	1.1	—	2.6	1.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D5. How long have you operated this business?**

1. < 6 years	25.7%	18.2%	15.6%	23.9%
2. 6 – 10 years	18.4	17.0	13.0	17.7
3. 11 – 20 years	24.6	28.4	29.9	25.6
4. 21 – 30 years	19.8	23.9	22.1	20.4
5. 31+ years	10.8	12.5	16.9	11.6
6. (DK/Refuse)	0.6	—	2.6	0.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757



	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms

**D6. What is your highest level of formal education?**

1. < H.S.	1.4%	1.1%	2.6%	1.5%
2. H.S. diploma/GED	22.7	14.8	11.5	20.7
3. Some college or associate's degree	18.3	25.0	19.2	19.1
4. Vocational or technical school degree	4.1	2.3	2.6	3.7
5. College diploma	34.6	34.1	41.0	35.2
6. Advanced or professional degree	18.2	21.6	20.5	18.8
7. (DK/Refuse)	0.8	1.1	2.6	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D7. Please tell me your age**

1. < 25 years	0.2%	—%	—%	0.1%
2. 25 – 34 years	7.7	3.4	5.2	7.0
3. 35 – 44 years	16.8	18.0	13.0	16.6
4. 45 – 54 years	28.7	36.0	36.4	30.3
5. 55 – 64 years	27.9	27.0	29.9	28.0
6. 65+ years	16.2	14.6	13.0	15.7
7. (Refuse)	2.5	1.1	2.6	2.4
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D8. What is the zip code of your business?**

1. East (zips 010-219)	16.7%	15.7%	14.3%	16.3%
2. South (zips 220-427)	23.9	20.2	14.3	22.6
3. Mid-West (zips 430-567, 600-658)	24.7	19.1	23.4	23.9
4. Central (zips 570-599, 660-898)	18.9	29.2	26.0	20.7
5. West (zips 900-999)	15.3	13.5	19.5	15.5
6. (DK/Refuse)	0.6	2.2	2.6	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D9. Urbanization (Derived from zip code.)**

1. Highly Urban	12.4%	12.4%	11.7%	12.3%
2. Urban	18.7	21.3	18.2	18.9
3. Fringe Urban	18.2	29.2	19.5	18.5
4. Small Cities/Towns	18.5	18.0	24.7	19.0
5. Rural	26.2	21.3	19.5	25.0
6. (Not Known)	6.1	6.7	6.5	6.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D10. Compared to your competitors over the last three years, do you think the overall performance of your business in terms of sales and net profits makes it a?:**

1. High performer	19.2%	22.5%	30.3%	20.6%
2. Somewhat high performer	23.4	37.1	31.6	25.7
3. Moderate performer	42.7	32.6	30.3	40.4
4. Somewhat low performer	4.9	2.2	2.6	4.4
5. Low performer	5.7	1.1	2.6	4.9
6. (Haven't been in business three years)	0.8	—	—	0.6
7. (DK/Refuse)	3.4	4.4	2.6	3.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**D11. Sex**

1. Male	81.5%	86.5%	85.9%	82.5%
2. Female	18.6	13.5	14.1	17.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	353	203	201	757

**Table Notes**

1. All percentages appearing are based on **weighted** data.
2. All "Ns" appearing are based on **unweighted** data.
3. Data are not presented where there are fewer than 50 unweighted cases.
4. ( )s around an answer indicate a volunteered response.

**WARNING** – When reviewing the table, care should be taken to distinguish between the percentage of the population and the percentage of those asked a particular question. Not every respondent was asked every question. All percentages appearing on the table use the number asked the question as the denominator.

# Data Collection Methods

The data for this survey report were collected for the NFIB Research Foundation by the executive interviewing group of The Gallup Organization. The interviews for this edition of the *Poll* were conducted between September 11 to October 17 from a sample of small employers. “Small employer” was defined for purposes of this survey as a business owner employing no fewer than one individual in addition to the owner(s) and no more than 249.

The sampling frame used for the survey was drawn at the Foundation’s direction from the files of the Dun & Bradstreet Corporation, an imperfect file but the best currently available for public use. A random stratified sample design is typically employed to compensate

for the highly skewed distribution of small business owners by employee size of firm (Table A1). Almost 60 percent of employers in the United States employ just one to four people meaning that a random sample would yield comparatively few larger, small employers to interview. Since size within the small business population is often an important differentiating variable, it is important that an adequate number of interviews be conducted among those employing more than 10 people. The interview quotas established to achieve these added interviews from larger, small business owners are arbitrary but adequate to allow independent examination of the 10-19 and 20-249 employee size classes as well as the 1-9 employee size group.

**Table A1**

## Sample Composition Under Varying Scenarios

Employee Size of Firm	Expected from Random Sample*		Obtained from Stratified Random Sample			
	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
1-9	593	79	350	47	353	46
10-19	82	11	200	27	203	27
20-249	75	10	200	27	201	27
All Firms	750	100	750	101	757	100

\* Sample universe developed from the Bureau of the Census (2002 data) and published by the Office of Advocacy at the Small Business Administration.

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