



National Small Business Poll

NFIB National

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Small Business Poll

Small Business Administration

NFIB National Small Business Poll

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.

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Small Business
Poll



*Small Business
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Small Business Administration

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Executive Summary

- The overwhelming majority of small employers (95%) have heard of the United States Small Business Administration (SBA). Of the 95 percent who have heard of SBA, just 17 percent are very familiar with the agency while 24 percent have heard of it and that is about all.
- A plurality of small employers (43%) who have heard of SBA hold a favorable impression of the agency, but almost as many (42%) hold none at all. Only 14 percent have an unfavorable impression.
- Eighty-five (85) percent of small-business owners report that SBA has had no direct impact on their business over the last three years. Of those who think they have been directly impacted, over twice as many assess the impact as favorable as assess it as unfavorable.
- Seventy (70) percent cannot identify one government agency, federal, state, or local, that has had a positive impact on their business in the last three years. One percent identified the Small Business Administration as the governmental unit with a positive (the most positive if the owner could think of more than one unit) impact.
- Small employers think SBA's current programmatic functions as they perceive them to be are appropriate. Forty-two (42) percent think SBA puts greatest emphasis on finance and finance-related functions. Fourteen (14) percent mention an emphasis on management assistance and counseling. Meanwhile, 54 percent think emphasis should be placed on financial assistance for small-business owners who cannot get financing in the private sector. Nineteen (19) percent think greatest emphasis should fall on management assistance-type programs.
- Small employers do not think current programmatic targets as they perceive them to be are necessarily appropriate. Twenty-six (26) percent think that both owners of start-up businesses and socially and economically disadvantaged owners of small businesses are SBA's current policy priority. But, 36 percent think SBA should give policy priority to owners of start-ups and another 26 percent think owners of run-of-the-mill small businesses should have priority.
- Seven percent of small employers have participated in some SBA or SBA-sponsored program or activity over the last three years. The subject matter of the activity in which they participated was finance-related in two-thirds of cases.
- Fourteen (14) percent have visited the SBA Web site in the last year. Most visited only a couple of times over the period. The site receives modestly positive ratings compared to other sites small employers frequent.
- A plurality (46%) think SBA receives too few resources, particularly compared to those who think it receives too many (15%). However, two-thirds would not increase the deficit to increase agency resources and three-quarters would not raise taxes to do so.

Small Business Administration

The United States Small Business Administration (SBA) was established in 1953 to provide financial assistance, primarily direct loans, to small manufacturers (for the most part) who could not get them in the private sector. The agency was not the first source of federally subsidized finance for small businesses nor was it the first to provide management assistance. But early in its existence SBA became the symbolic focus for federal activities to support and promote small business. It remains so today despite major changes in the allocation and delivery of assistance and the spread of small-business programs to a host of other federal (and state and local) departments and agencies. Because of the agency's symbolic value to many elements of the small-business population, its vendors, and other interested people, this issue of the *National Small Business Poll* is devoted to the Small Business Administration.

Familiarity with SBA

Virtually all small employers have heard of the United States Small Business Administration (SBA). Ninety-five (95) percent report that they have heard of the agency while only five percent have not (Q#1). Still, hearing of the agency and familiarity with it are not synonymous. While 19 of 20 have heard of SBA, 62 percent of the group think that they are very or somewhat familiar with the agency (Q#2). Twenty-four (24) percent, in contrast, have heard of the agency and that's about all. Another 14 percent admit they are not too familiar with it. Thus, though the SBA name is common knowledge among the small-business owner population, familiarity with the agency is much less ordinary.

Forty-two (42) percent of small employers who have heard of the SBA have no impression of it (Q#3). They have neither a favorable nor an unfavorable view of the agency. But of those small-business owners who do, most have a generally positive sense. Thirty-five (35) percent hold a somewhat favorable view of SBA, while another 8 percent have a very favorable one. Those who

hold a favorable view, therefore outnumber those who hold an unfavorable view by a 43 percent to 14 percent margin.

The single most important source of small-employer impressions of SBA is direct personal contact. Thirty (30) percent indicate that their impression comes from direct personal contact (Q#3a). That number represents about 17 percent of the total small-employer population. The second major source is the print media, such as magazines and newspapers. Yet, those sources amount to just 18 percent of those with an impression. The remaining sources are scattered and include talking with other business owners, meeting people who work in the agency or its programs, bankers, and the Internet among others.

Impact

Eighty-five (85) percent of small-business owners aware of the agency think the Small Business Administration has had no direct impact on their business in the last three years (Q#4). Of those who think it has, over twice as many assess the impact as positive as assess the impact as negative. Seven

percent think SBA has directly impacted them positively over the last three years, while 3 percent think the agency has impacted them negatively over the same time frame.

Most assessments of impact seem tied to the loan guarantee program or other finance activities. Thirty (30) percent of small employers who feel directly impacted specifically mention obtaining a loan and several others had negative comments about the loan program (Q#4a). Ten (10) percent even mentioned promoting or marketing SBA programs as the source of primary impact. However, living out of the agency in this manner amounts to only about 1 percent of the total small-employer population.

Another avenue to approach the agency's impact is to ask about the positive impact of government agencies generally. How does SBA stack up against others? The survey, therefore, inquired about the government agency, federal, state or local, that has had the most positive impact on the owner's business in the last three years. Seventy (70) percent could not think of a single government agency at any level that has had a positive impact on them over the specified time interval (Q#5). Of those who did identify an agency or unit of government, the specific agencies named were so fragmented as to defy generalization. One percent identified the Small Business Administration as the government agency most positively impacting them; the Internal Revenue Service (IRS) received about the same number of favorable mentions.

The agencies small employers mentioned as most positively impacting them over the last three years were divided almost evenly among the federal, state and local levels of government. Of those reporting a positive impact from any agency in the last three years, 38 percent note a federal agency, 31 percent a state agency, followed by 28 percent for a local unit of some type (Q#5a). As a result, 11 percent named a federal agency that had a positive impact on their business in the last three years and 1 percent named SBA.

SBA Functions

While one can quibble about the details, SBA is involved in four primary functional areas of activity – finance, management

assistance, procurement assistance, and advocacy. Twenty-eight (28) percent of small employers who have heard of the agency could not identify which of these four SBA emphasizes (Q#6). But of those who did identify an emphasis, 42 percent noted finance, 14 percent management assistance, 8 percent advocacy, and 5 percent procurement assistance. None of these responses is right or wrong since SBA appears to have no priorities. But small employers, at least those who think themselves sufficiently knowledgeable to offer an opinion, clearly see the agency in its historical context as primarily a business finance organization.

Small-business owners agree with these perceived priorities. When asked which of the four principal functions should receive priority, their preferences reflected what they perceive the agency is already doing. Fifty-four (54) percent think SBA's highest priority should be helping owners who cannot get financing in the private sector (Q#6a). Finance is followed by management assistance, advocacy, and procurement.

The corollary issue is what type of small-business owner has the greatest claim on agency assistance, if any. Small employers are divided with respect to SBA's current policy priority. Twenty-six (26) percent think priority goes to people who own start-up businesses. Another 26 percent identify socially and economically disadvantaged business owners as SBA's priority group (Q#7). Fourteen (14) percent think the priority is owners of growing and larger small firms followed by 8 percent who identify owners of run-of-the-mill small businesses, aka, Main Street. The latter constitutes the overwhelming bulk of the small- employer population. Twenty-one (21) percent report not knowing which group receives priority, a percentage similar to that unfamiliar with any agency activity

A substantial difference exists between small-employer views about who constitutes SBA's priority and who should constitute it. Their judgment does not appear totally based on self-interest. Thirty-six (36) percent think SBA's priority should be helping business start-ups (Q#7a). Twenty-six (26) percent think the priority should be run-of-the-mill businesses. The third tier is socially and economically disadvantaged owners

and an unspecified combination of priorities. Fewest (9%) identify rapidly growing and larger, small businesses as the desired priority. Respondents with firms having 20 or more employees are twice as likely to identify the latter as those associated with firms employing fewer than 10.

About 5 percent of small-business owners are not aware of SBA. The survey, therefore, posed to that group the idea of a hypothetical organization very similar to SBA and identified its functions and primary beneficiaries. Too few respondents (cases) fell into this category to report results. But, integrating those responses into the larger group would not alter results to any noticeable degree. Hence, general agreement appears about the priorities of the Small Business Administration or an agency like it, both perceived and preferred, regardless of familiarity with the agency.

Participation in Agency Activities

About 7 percent of small employers participated in some type of SBA or SBA-sponsored program or activity in the last three years (Q#8). Participation ranges from receipt of financial assistance to attending a Small Business Week awards ceremony. Thus, participation could be intense or marginal. So, what is the functional matter of their participation? Sixty-nine (69) percent indicate that the program or activity (most important program or activity if the small employer participated in more than one) was finance or finance-related (Q#8a). Sixteen (16) percent listed management/marketing assistance/counseling as their primary interest. Management/marketing assistance could, of course, focus on finance. Eight percent each listed procurement and public policy or regulatory-related. Prior surveys in this series suggest somewhat more balance in service use between finance and management. For example, about 6 percent obtained financial assistance from any publicly-supported source in the prior three years – 2 percent a year (Contacting Government) and about 12 percent attended a Small Business Development Center function during the last five years (Workplace Safety).

Another way for the agency to engage small-business owners is providing information over a non-commercial Web site. SBA has such a Web site (www.sba.gov).

In the last year, about 14 percent of small employers visited it (Q#9). Eighty-nine (89) percent of those who did visit the site visited infrequently, a couple of times in the year (Q#9a). About 5 percent of those who visited the site in the last year, or less than 1 percent of the small-employer population, could be termed “regulars” (daily or weekly visits).

A majority (51%) of the small employers who visited the SBA Web site were looking for information related to finance (Q#9b). Another 14 percent sought information on government requirements, rules, and/or obligations. Eleven (11) percent each wanted information on selling to the federal government (procurement) and management/marketing issues. While the Internal Revenue Service (IRS) Web site may be the logical place to seek tax-related information, 19 percent of those who visited the SBA Web site in the last year sought it there (Q#9c).

SBA's Web site receives modestly favorable marks from its principal constituency. Forty-three (43) percent of small employers evaluate the usefulness of SBA's site as average compared to other sites they frequently visit (Q#9d). However, 39 percent assess it as good or above average, though few term it superior. Just 12 percent consider it poor (below average) or inferior.

Amount of SBA Resources

The resources available to SBA are a budget issue that periodically arises in Washington policy discussions involving small business. Small-business respondents were, therefore, asked whether the financial and human resources to support SBA programs and activities were too many or too few; an about-right option was purposefully not provided as a bail-out for respondents. By a 3 – 1 margin (46% to 15%), small employers judged SBA to receive too few resources (Q#10). However, 32 percent could not or would not provide an answer and another 7 percent volunteered about-right.

To put the resources issue in context, the survey asked those who did not think too many resources were devoted to SBA whether they would be willing to increase the federal budget deficit to procure additional resources for the agency. Sixty-one (61) percent said “no” (Q#10a); they would not be willing to increase the deficit to pro-

vide SBA more resources. Thirty-two (32) percent would be willing to increase the deficit for that purpose. Assuming the 15 percent who think SBA already receives too many resources do not favor a larger deficit to give the agency even more, over two-thirds of the small employers would be unwilling to provide SBA greater resources if it meant increasing the federal deficit.

A second option to increase SBA resources is to raise taxes. But, if resource increases were to be financed by raising taxes, the small-business owner verdict is even more emphatic. Sixty-nine (69) percent of those who think SBA receives too few resources would not pay for those resources with higher taxes (Q#10b). Again, factoring in the 15 percent who think SBA already receives too many resources, nearly three-quarters of small employers would not be willing to raise taxes to pay for SBA resource increases.

Regrettably, the survey neglected to inquire about charging user fees/greater user fees to fund additional activity.

Final Comments

“Warm and fuzzy” aptly describes small-employer views of the Small Business Administration. Most do not know very much about the agency. Nor do many think the agency has had a direct impact on them or their business. But the impression owners have is generally favorable.

The warm and fuzzy point is underscored by prevailing views about the need to provide the agency additional resources. While a significant percentage of small employers would not venture an opinion on the matter, a decisive majority of the remainder think the agency requires more resources than currently allocated to it. But when compared to the realities of greater budget deficits or higher taxes to pay for additional resources, support quickly fades. Overwhelming majorities would do neither to generate more resources for SBA.

For years SBA has been attempting to reinvent itself by adding major functions beyond finance and by changing the nature of the finance programs themselves. Still, the constituency considers SBA primarily a finance agency and regards that as a good thing. The preoccupation with finance remains a mystery. Federal Reserve studies

among others suggest conventional commercial markets satisfy the borrowing needs of credit-worthy firms (and equity is small in the scheme of things) and relatively few ever receive SBA financial assistance. Perhaps, the impression continues because finance is tangible or because the finance programs serve as a psychological security blanket for a critical business function or because no one is paying attention. But for whatever reason, SBA cannot shake its image as a financing agency.

Finally, it is worth noting that 36 percent think the primary focus of SBA should be on start-ups, a considerably higher percentage than any other priority. Survey respondents are all current employers. While a small percentage of them are always in the process of starting other businesses, most will not benefit from favoring starters, and may in fact lose out to them as competitors. So, self-interest is not a likely motivator. Rather, it is conceivable that they are empathizing with those going through the difficult process they once experienced and think that is where the agency should direct its efforts.

Small Business Administration

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

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Have you ever heard of an agency of the federal government called the Small Business Administration or SBA?				
1. Yes	95.3%	95.5%	94.7%	95.3%
2. No	4.7	4.5	5.3	4.7
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751
2. Are you very familiar with the SBA, somewhat familiar with it, not too familiar with it, or heard of SBA and that's about all? (If "Yes" in Q#1.)				
1. Very familiar	15.9%	22.6%	19.2%	16.9%
2. Somewhat familiar	44.7	45.2	46.6	44.9
3. Not too familiar	13.9	11.9	16.4	13.9
4. Heard of it and that's about all	25.2	20.2	17.8	24.0
5. (DK/Refuse)	0.3	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717
3. Do you generally have a favorable impression, an unfavorable impression, or no impression of the Small Business Administration? Is that very (favorable/unfavorable) or somewhat (favorable/unfavorable)?				
1. Very favorable	8.2%	9.5%	8.2%	8.3%
2. Somewhat favorable	34.2	38.1	39.7	34.6
3. Somewhat unfavorable	10.0	8.3	11.0	9.9
4. Very unfavorable	3.6	3.6	5.5	3.8
5. No impression	42.6	38.1	39.7	41.8
6. (DK/Refuse)	1.5	2.4	1.4	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

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

3a. What is the most important source of your impression of the Small Business Administration?

1. Direct, personal experience	28.4%	37.3%	32.6%	29.8%
2. Reading - magazines, newspapers, etc.	16.9	21.6	18.6	17.6
3. Talking to other business owners	10.3	5.9	7.0	9.5
4. Met people who worked for SBA or in its programs	7.7	3.9	—	6.5
5. Banker/bank lender	3.4	—	2.3	2.9
6. Word-of-mouth/common knowledge	1.1	2.0	7.0	1.8
7. Ads/TV/Radio, News/Media	3.2	—	—	2.5
8. Internet	0.6	2.0	2.3	0.9
9. (Helps owners/ Provides loans)	6.6	13.8	7.0	6.3
10. (Other sources)	15.5	7.6	16.2	15.9
11. (DK/Refuse)	6.3	5.9	7.0	6.3
Total	100.0%	100.0%	100.0%	100.0%
N	190	118	113	421

4. In the last three years, has the Small Business Administration DIRECTLY affected your business positively, negatively, or not at all?

1. Positively	6.7%	8.4%	12.5%	7.4%
2. Negatively	3.3	2.4	4.2	3.3
3. Not at all	85.3	85.5	76.4	84.5
4. (DK/Refuse)	4.8	3.6	6.9	4.8
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

4a. How has it impacted you (positively/negatively)? (If “Positively” or “Negatively” in Q#4.)

1. Got a loan/financing	—%	—%	—%	30.7%
2. Obtained information	—	—	—	13.9
3. Market SBA loans	—	—	—	10.1
4. (Other)	—	—	—	42.8
5. (DK/Refuse)	—	—	—	2.5
Total	100.0%	100.0%	100.0%	100.0%
N	34	21	31	86

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

5. In the last three years, what federal, state, or local government agency has had the most POSITIVE direct impact on your business. Or can't you think of one that has had a positive impact? (OPEN)

1. SBA	1.2%	2.5%	1.5%	1.3%
2. EPA	1.0	1.2	—	0.9
3. IRS	1.0	2.5	1.5	1.2
4. City/County/Local	3.0	—	—	2.4
5. Military/DoD	1.0	—	—	0.8
6. Other	21.5	17.6	22.0	21.4
7. Can't think of one	70.1	74.1	69.1	70.4
8. (DK/Refuse)	1.2	1.2	5.9	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

5a. Is that an agency of the federal government, state government, or local government? (If agency with a positive impact in Q#5.)

1. Federal	36.2%	39.1%	57.1%	38.4%
2. State	30.3	39.1	28.6	31.0
3. Local	30.8	21.7	9.5	27.9
4. (DK/Refuse)	2.7	—	4.8	2.6
Total	100.0%	100.0%	100.0%	100.0%
N	101	55	53	209

6. The Small Business Administration spends its time and money doing the following among other things. In your view, which does the SBA put greatest emphasis on?

1. Makes the federal procurement process more accessible to small business	3.9%	7.3%	9.7%	4.8%
2. Advocates the interests of small business before other agencies, particularly regulatory agencies	7.5	8.5	8.3	7.7
3. Helps finance small-business owners who cannot get it in the private sector	40.2	52.4	40.3	41.5
4. Helps offer management assistance and counseling programs for small-business owners	14.4	11.0	8.3	13.5
5. (Other)	1.9	2.5	4.2	2.1
6. (All)	0.2	—	1.4	0.3
7. (Nothing)	2.1	—	2.8	2.0
8. (DK/Refuse)	29.8	18.3	25.0	28.1
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

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

6a. In your view, which SHOULD receive greatest emphasis?

1. Makes the federal procurement process more accessible to small business	6.1%	8.4%	11.0%	6.8%
2. Advocates the interests of small business before other agencies, particularly regulatory agencies	10.8	13.3	17.8	11.7
3. Helps finance small-business owners who cannot get it in the private sector	54.4	53.0	49.3	53.8
4. Helps offer management assistance and counseling programs for small-business owners	19.3	18.1	17.8	18.8
5. (Other)	—	1.2	—	0.1
6. (All)	1.6	1.2	—	1.4
7. (None)	1.0	—	—	0.8
8. (DK/Refuse)	6.7	6.0	2.7	5.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

7. Who do you believe is SBA's CURRENT policy priority? Is it owners of:?

1. Start-up businesses	25.7%	30.1%	26.8%	26.3%
2. Run-of-the-mill small businesses	9.0	4.8	4.2	8.1
3. Rapidly growing and larger small businesses	14.2	13.3	12.7	14.0
4. Economically and socially disadvantaged small businesses	25.9	27.7	29.6	26.4
5. (A mix, combination)	4.3	4.8	7.0	4.6
6. (DK/Refuse)	20.9	19.3	19.7	20.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

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

7a. Who do you believe SHOULD BE SBA's policy priority? Owners of:?

1. Start-up businesses	36.6%	36.1%	34.2%	36.3%
2. Run-of-the-mill small businesses	27.1	24.1	15.1	25.7
3. Rapidly growing and larger small businesses	7.2	12.0	15.1	8.5
4. Economically and socially disadvantaged businesses	12.9	9.6	11.0	12.4
5. (A mix, combination)	11.6	14.5	19.2	12.6
6. (DK/Refuse)	4.6	3.6	4.1	4.4
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

8. In the last three years, have you participated in any SBA or SBA-sponsored program or activity?

1. Yes	5.9%	9.5%	11.1%	6.8%
2. No	93.8	90.5	87.5	92.8
3. (DK/Refuse)	0.3	—	1.4	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

8a. Of the SBA-related programs or activities in which you have participated, what was the topic most important to you? (If "Yes" in Q#8.)

1. Procurement or procurement-related	—%	—%	—%	7.8%
2. Finance or finance-related	—	—	—	68.6
3. Management or marketing training or counseling	—	—	—	15.7
4. Recognition or awards-related	—	—	—	0.0
5. Public policy or regulatory-related	—	—	—	7.8
6. (DK/Refuse)	—	—	—	0.0
Total	100.0%	100.0%	100.0%	100.0%
N	20	19	21	60

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

9. In the last year, have you visited SBA's Web site?

1. Yes	14.9%	12.0%	9.7%	14.1%
2. No	85.1	88.0	88.9	85.8
3. (DK/Refuse)	—	—	1.4	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

9a. Typically, have you visited SBA's Web site in the last year daily, weekly, monthly, or just a couple of times throughout the year? (If "Yes" in Q#9.)

1. Daily	3.3%	—%	—%	2.8%
2. Weekly	2.2	—	—	1.9
3. Monthly	4.4	—	—	4.7
4. Couple of times	87.8	—	—	88.8
5. (DK/Refuse)	2.2	—	—	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	53	23	20	96

9b. What is the type of information you most frequently looked for on the SBA Web site?

1. Opportunities to sell my goods or services to the federal government	12.1%	—%	—%	11.2%
2. Marketing and management issues	12.1	—	—	11.2
3. Finance	51.6	—	—	51.4
4. Government requirements, rules and obligations	13.2	—	—	14.0
5. Statistics or data, OR	4.4	—	—	4.7
6. Just to see what's going on	2.2	—	—	1.9
7. (Other)	4.4	—	—	5.6
8. (DK/Refuse)	—	—	—	0.0
Total	100.0%	100.0%	100.0%	100.0%
N	53	23	20	96

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

9c. In the last year, did you look for tax-related information of any type on the SBA Web site?

1. Yes	19.8%	—%	—%	19.3%
2. No	80.2	—	—	80.7
3. (DK/Refuse)	—	—	—	0.0
Total	100.0%	100.0%	100.0%	100.0%
N	53	23	20	96

9d. How would you evaluate the usefulness of SBA's Web site compared to other sites you frequent? Would you say it is:?

1. Superior	4.5%	—%	—%	3.8%
2. Good	37.1	—	—	38.5
3. Average	41.6	—	—	43.3
4. Poor	7.9	—	—	6.7
5. Inferior	5.6	—	—	4.8
6. (DK/Refuse)	3.4	—	—	2.9
Total	100.0%	100.0%	100.0%	100.0%
N	53	23	20	96

10. Do you believe that government devotes too many or too few financial and human resources to support SBA programs and activities?

1. Too many	15.0%	12.0%	18.1%	15.0%
2. Too few	46.2	49.4	43.1	46.3
3. (About right)	6.7	4.8	9.7	6.8
4. (DK/Refuse)	32.1	33.7	29.2	31.9
Total	100.0%	100.0%	100.0%	100.0%
N	335	192	190	717

10a. Would you be willing to have a larger federal budget deficit to fund SBA programs and activities at a higher level? (If NOT "Too many" in Q#10.)

1. Yes	32.8%	31.9%	28.8%	32.3%
2. No	60.5	63.9	66.1	61.4
3. Don't know	6.2	4.2	3.4	5.7
4. (Refuse)	0.6	—	1.7	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	286	168	157	611

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

10b. Would you be willing to pay higher taxes to fund SBA programs and activities at a higher level?

1. Yes	28.1%	30.1%	16.9%	27.3%
2. No	68.2	69.9	78.0	69.3
3. Don't know	3.3	—	1.7	2.8
4. (Refuse)	0.4	—	3.4	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	286	168	157	611

Demographics

D1. Which best describes your position in the business?

1. Owner/manager	87.4%	87.5%	78.9%	86.6%
2. Owner, but NOT manager	4.4	3.4	3.9	4.2
3. Manager, but NOT owner	8.3	9.1	17.1	9.2
4. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

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

1. Agriculture, forestry, fishing	4.8%	2.4%	3.9%	4.5%
2. Construction	8.7	11.9	9.1	9.1
3. Manufacturing, mining	8.6	8.3	13.0	9.0
4. Wholesale trade	10.0	4.8	3.9	8.8
5. Retail trade	11.1	14.3	14.3	11.7
6. Transportation and warehousing	0.2	—	—	0.1
7. Information	4.2	—	2.6	3.6
8. Finance and insurance	6.4	1.2	3.9	5.6
9. Real estate and rental/leasing	5.0	1.2	5.2	4.6
10. Professional/scientific/ technical services	13.2	14.3	6.5	12.7
11. Admin. support/waste management services	4.5	4.8	3.9	4.5
12. Educational services	0.8	1.2	—	0.7
13. Health care and social assistance	3.1	3.6	5.2	3.4
14. Arts, entertainment or recreation	2.6	1.2	2.6	2.5
15. Accommodations or food service	4.4	17.9	16.9	7.0
16. Other service, incl. repair, personal service	10.9	9.5	3.9	10.1
17. Other	—	—	—	—
18. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

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

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

1. Increased by 30 percent or more	11.4%	13.6%	13.2%	11.8%
2. Increased by 20 to 29 percent	7.2	8.0	7.9	7.3
3. Increased by 10 to 19 percent	26.7	37.5	25.0	27.7
4. Increased by < 10 percent	21.1	19.3	28.9	21.6
5. Decreased by < 10 percent	7.6	8.0	7.9	7.7
6. Decreased by more than 10 percent	19.8	9.1	11.8	17.9
7. (DK/Refuse)	6.2	4.5	5.2	6.0
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

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

1. Yes	34.1%	6.8%	9.2%	28.7%
2. No	64.4	93.2	89.5	69.9
3. (DK/Refuse)	1.6	—	1.3	1.4
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

D5. How long have you operated this business?

1. < 6 years	26.2%	14.9%	18.9%	24.3%
2. 6 – 10 years	19.8	19.5	18.9	19.7
3. 11 – 20 years	24.0	32.2	24.3	24.9
4. 21 – 30 years	18.5	23.0	20.3	19.2
5. 31 + years	10.6	10.3	16.2	11.1
6. (DK/Refuse)	1.0	—	1.4	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

D6. What is your highest level of formal education?

1. < H.S.	2.5%	2.3%	1.3%	2.4%
2. H.S. diploma/GED	19.1	13.8	20.0	18.6
3. Some college or associate's degree	23.9	24.1	21.3	23.7
4. Vocational or technical school degree	3.1	2.3	4.0	3.1
5. College diploma	31.7	34.5	36.0	32.4
6. Advanced or professional degree	18.8	23.0	16.0	19.0
7. (DK/Refuse)	0.9	—	1.3	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

Employee Size of Firm

	1-9 emp	10-19 emp	20-249 emp	All Firms
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D7. Please tell me your age

1. <25 years	0.2%	—%	1.3%	0.2%
2. 25 – 34 years	7.2	3.4	6.6	6.7
3. 35 – 44 years	17.0	14.6	19.7	17.0
4. 45 – 54 years	28.5	39.3	31.6	30.0
5. 55 – 64 years	31.2	31.5	25.0	30.6
6. 65+ years	12.0	11.2	14.5	12.2
7. (Refuse)	3.9	—	1.3	3.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

D8. What is the zip code of your business?

1. East (zips 010-219)	20.7%	20.7%	16.0%	20.3%
2. South (zips (220-427)	19.5	25.3	14.7	19.7
3. Mid-West (zips 430-567, 600-658)	23.7	20.7	28.0	23.8
4. Central (zips 570-599, 660-898)	22.3	21.8	21.3	22.2
5. West (zips 900-999)	12.0	11.5	16.0	12.3
6. (DK/Refuse)	1.7	—	4.0	1.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

D9. Urbanization (Derived from zip code.)

1. Highly Urban	8.4%	17.2%	13.2%	9.8%
2. Urban	17.3	16.1	14.5	16.9
3. Fringe Urban	17.9	21.8	21.1	18.6
4. Small Cities/Towns	24.9	23.0	18.4	24.1
5. Rural	24.8	23.0	18.4	24.1
6. (DK/Refuse/Not classified)	6.7	2.3	9.2	6.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

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

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	10.8%	20.7%	22.1%	12.9%
2. Somewhat high performer	22.0	26.4	22.1	22.5
3. Moderate performer	43.3	41.4	41.6	42.9
4. Somewhat low performer	5.3	3.4	1.3	4.7
5. Low performer	12.3	5.7	9.1	11.3
6. (Haven't been in business three years)	0.8	—	1.3	0.7
7. (DK/Refuse)	5.5	2.3	2.6	4.9
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

D11. Sex

1. Male	82.9%	86.4%	82.7%	83.2%
2. Female	17.1	13.6	17.3	16.8
Total	100.0%	100.0%	100.0%	100.0%
N	351	200	200	751

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 December 28, 2006 - January 24, 2007 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	351	46
10-19	82	11	200	27	200	27
20-249	75	10	200	27	200	27
All Firms	750	100	750	101	751	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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The **NFIB Research Foundation** is a small-business-oriented research and information organization affiliated with the National Federation of Independent Business, the nation's largest small and independent business advocacy organization. Located in Washington, DC, the Foundation's primary purpose is to explore the policy related problems small-business owners encounter. Its periodic reports include *Small Business Economic Trends*, *Small Business Problems and Priorities*, and now the *National Small Business Poll*. The Foundation also publishes ad hoc reports on issues of concern to small-business owners. The Foundation's functions were recently transferred from the NFIB Education Foundation.



Data Collection Methodology

The data for this survey report were collected for the NFIB Research Foundation from interviews with executives and owners of the nation's small businesses.

Employee Size of Firm	Interviews Conducted	Percent of Total	Percent Distribution of Completed Interviews
1-9	593	79%	77%
10-19	82	11%	23%

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