

Micro Business Development Program of Vermont  
*Client Outcome Report*  
July 2003



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### ***Introduction***

The following data provides the complete results of the pilot follow up study for the Vermont Community Action Agencies' Micro Business Development Program (MBDP), with funding support from the Vermont Office of Economic Opportunity. The study was conducted by the Center for Rural Studies at the University of Vermont. For more information about this study or to request additional copies of this report, please contact Michele Cranwell, Evaluation Coordinator, at (802) 656-0256 or [Michele.Cranwell@uvm.edu](mailto:Michele.Cranwell@uvm.edu).

### ***Methodology***

The MBDP pilot client follow up survey was conducted in March 2003 by the Center for Rural Studies (CRS) at the University of Vermont. All MBDP clients who had received at least ten hours of services between fiscal year 2001 and 2002 or clients who had started a business, were surveyed to follow up with them on services received and satisfaction, business financing, business development, job creation, income changes, skill development, social and human capital development, and program feedback. The survey instrument was developed in collaboration with the MBDP Statewide Facilitator, using the models of previous surveys conducted by CRS in the area of micro enterprise development. The study was termed a "pilot" because the researchers tested the instrument and results obtained for possible use as an evaluation and follow up tool at the statewide level at an on-going basis.

The survey was administered at the University of Vermont using computer-aided telephone interviewing (CATI). The majority of the survey was conducted by trained students at the University of Vermont during the evening hours from 4:00-9:00pm. Daytime surveys were also conducted from 8:00am to 4:00pm. Students and CRS staff carried out survey callbacks as needed. A total of 594 people were called, and 140 surveys were completed for a response rate of 24% (note: N = 140 unless otherwise noted in the findings section). The results based on a group of this size have a margin of error of plus or minus 7 percentage points with a confidence interval of 95 percent.

The following report presents the data collected from this survey. Univariate and bi-variate analyses were carried out using the Statistical Package for the Social Sciences (SPSS), Microsoft Excel, and Word XP.

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## *Findings*

Number of people called = 594 of people served in FY 2001-2002  
 Number of completed surveys = 140  
 Response rate = 24%  
 Confidence level = 95%  
 Margin of error = +-7%

### ***Business Growth***

#### **Reason for initial contact with MBDP:**

Respondents were asked in an open ended question what their main reasons were for their initial contact with MBDP. The open-ended responses were recoded into the major categories presented in Table 1. The top reason that clients cited for their initial contact with MBDP was they were referred to the program by a social service organization, specifically, Vocational Rehabilitation, PATH, the Department of Employment and Training, and Vermont Adult Learning (23%; 32). The other commonly cited reasons for their first visit included the need to develop a business plan (16%; 23), need for business assistance for an established business (14%; 20), and exploring the possibilities of starting a business (13%; 19).

**Table 1. Reason for initial contact with MBDP (N = 140)**

<b>Reason for initial contact</b>	<b>% (n)</b>
Referred by social service org – Voc Rehab, PATH, DET, VAL	23% (32)
Business plan – development of new plan	16% (23)
Business assistance with established business	14% (20)
Exploring possibilities of business	13% (19)
Financing options	9% (13)
Technology – skills and equipment	7% (10)
Heard good resource	6% (9)
Disability – wanted to start a new career	4% (5)
New direction in life	4% (5)
Needed next steps for business	4% (5)
Looking for job training and skills	3% (4)
Referred by flier/advertisement	3% (4)
Marketing assistance	2% (3)
Expand business	1% (2)
MBDP provided free assistance	1% (2)
Single parent – wanted a career at home	1% (2)

**Business status of clients at time of initial contact with MBDP (Figure 1):**

At the time of initial contact with MBDP, a total of 32% (45) of respondents already had an established business and 67% (93) were in the exploration phase and did not have a business. The breakdown of responses are as follows. Figure 1 presents a comparison of client business status from intake to time of survey (between 1 and 5 years).

- Wanted to explore starting a business 33% (45)
- Were in the planning phase 30% (41)
- Completed a business plan 6% (8)
- Had an existing business 14% (19)
- Had a stable business that was not yet growing 15% (21)
- Process of expansion through additional financing 3% (4)

*N* = 138

**Business status of clients at time of survey (Figure 1):**

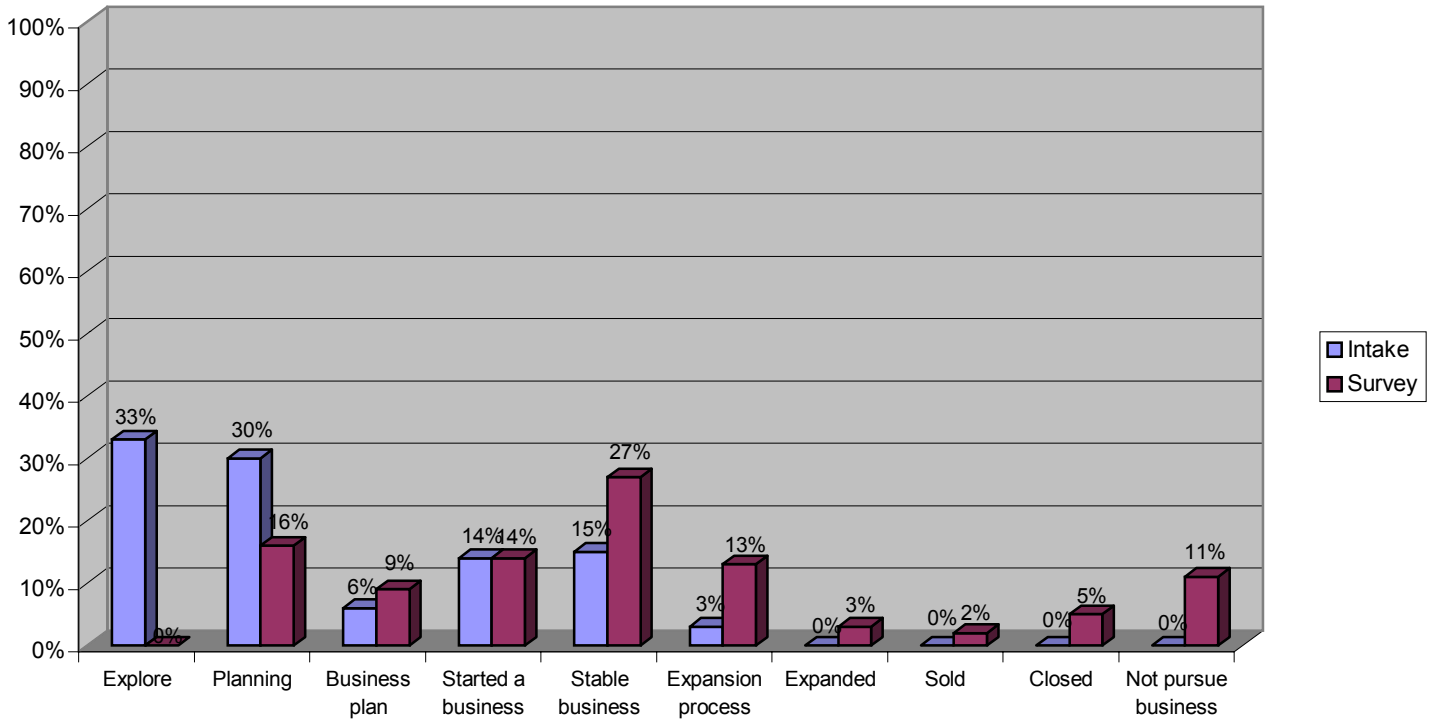
At the time of the survey, 57% (73) reporting having a business, 37% (47) were still in a planning phase, and 6% (8) had decided to sell or close their business. The breakdown of responses are as follows. Figure 1 presents a comparison of client business status from intake to time of survey (between 1 and 5 years).

- Decided to not pursue a business 11% (14)
- Were in the planning phase 16% (21)
- Completed a business plan 9% (12)
- Started a business 14% (18)
- Had a stable business that was not yet growing 27% (34)
- Process of expansion through additional financing 13% (17)
- Expanded their business through additional financing 3% (4)
- Sold their business 2% (2)
- Closed their business 5% (6)

*N* = 128

Figure 1 shows that at client intake, the majority of people were in the exploration and planning phase. However, after working with MBDP, the majority was in the started, stable, and expansion phase.

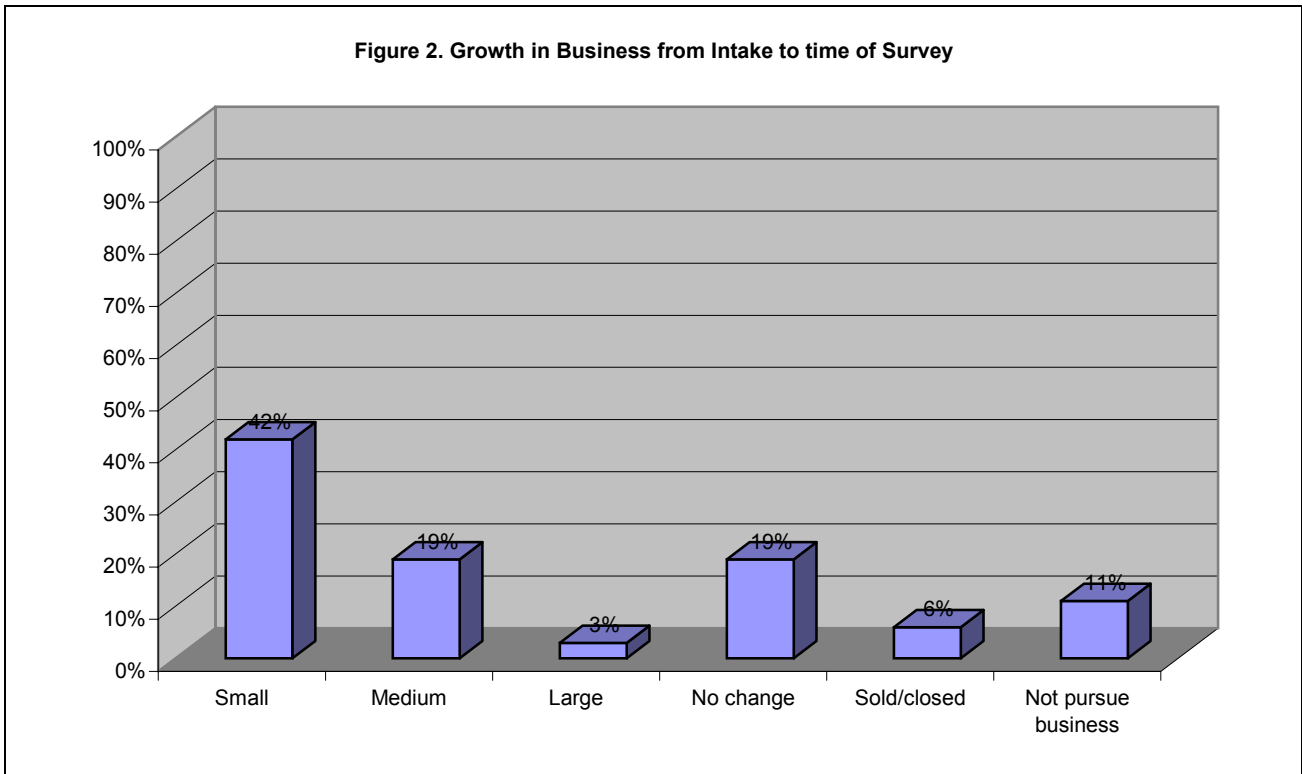
Figure 1. Stage of Business Compared by Intake and Survey



**Growth in clients business (Figure 2):**

64% (82) of clients experienced growth in their business from the time of intake with MBDP to the time of survey completion (1 to 5 years). The breakdown of size of growth is as follows and is presented in Figure 2.

- 42% (54) experienced *small growth*, such as from planning to start up or a stable business that is now in the process of expansion.
- 19% (24) experienced a *medium growth* in their business, such as from exploring to having started a business.
- 3% (4) experienced a *large growth* in their business, such as from exploring to expanding a business through additional financing.
- 11% (14) decided to *not pursue a business*
- 6% (8) *sold* or *closed* their business
- 19% (24) indicated *no change* from intake



- Planning - 86% (25) of those who were in the planning phase at the time of the survey said that they plan to start their business in 6-12 months. 14% (4) plan on starting their business in 12 months or more ( $N = 29$ ).
- Closed or sold – Of those respondents who had sold or closed their business, the length of time the business was open ranged from 1-36 months, with an average of 12 months, a median of 7.5 and a mode of 3 months ( $N = 8$ ). The main reasons for selling or closing their business include health reasons and wanting to spend more time at home.
- Other employment – Of those respondents who decided to close or sell their business or not start a business, 62% (8) got another job and 39% (5) are looking for other employment ( $N = 13$ ).

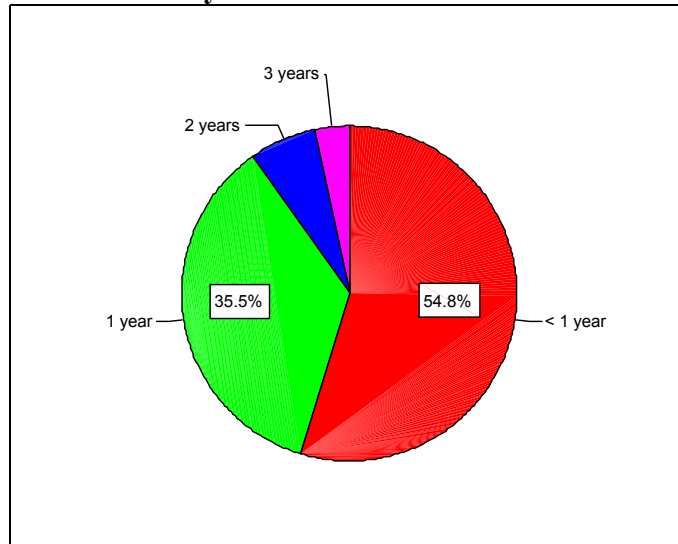
**Length of time after intake to start business (Figure 3):**

Figure 3 depicts the length of time after respondents' intake into the program that it took them to start their business. For 55% (17) of clients, it took less than one year to start and for 36% (11), it took one year to start.

- Less than one year 55% (17)
- 1 year 36% (11)
- 2 years 7% (2)
- 3 years 3% (1)

*N* = 31

**Figure 3. Number of years to start business after intake (N = 31)**



**Length of time clients' started businesses before intake:**

Several clients came to the MBDP program with an already established business. Because the length of time varied so greatly, the measures of central tendencies are presented.

Range: 1-15 years

Mean: 4.25 years

Median: 2 years

Mode: 1 year

*N* = 16

**Length of time after intake to expand business:**

7 clients indicated that one year after intake they expanded their business through additional financing. One client expanded in less than one year and one client expanded in two years after intake. Two of the clients who had expanded in one year of intake came to MBDP in the exploration and planning process. All others who expanded came to MBDP with an established business.

- Less than one year: 1
- One year after intake: 7
- Two years: 1

*N* = 9

## ***Business Characteristics***

### **Type of client business:**

The four major types of business that clients have are services (30%; 22), retail (23%; 17), manufacturing (11%; 8), and agriculture (8%; 6).

- Services 30% (22)
- Retail 23% (17)
- Manufacturing 11% (8)
- Agriculture 8% (6)
- Construction 3% (2)
- Whole sale 1% (1)
- Other 23% (17)

$N = 73$

### **Type of business clients in “planning phase” plan on going into:**

The top four categories above are consistent with the major types of business that clients in the planning phase plan to go into.

- Services 30% (10)
- Retail 24% (8)
- Manufacturing 9% (3)
- Agriculture 3% (1)
- Construction 3% (1)
- Whole sale 3% (1)
- Other 27% (9)

$N = 33$

**Client product or service (Table 2):**

Table 2 depicts the main categories of client products or services, as recoded from an open-ended question. Several respondents gave more than one category, so the total percentages are greater than 100%. The major categories are food retail, technology, crafts, and retail.

**Table 2. Client products or service (N = 74):**

Product or Service	N	Percent
Food retail	9	12%
Technology	7	9%
Crafts	7	9%
Retail	6	8%
Child Care	5	7%
Contractor	5	7%
Medical/health field	5	7%
Clothing/tailoring	4	5%
Writer/author	4	5%
Animal related	3	4%
Entertainment	3	4%
Painting	4	5%
Agriculture related	2	3%
Consultant	2	3%
Custom woodwork	2	3%
Furniture	2	3%
Home maintenance	2	3%
Jewelry	2	3%

**Access to medical and health benefits:**

74% (52) of respondents indicated that they have *access to medical and health* benefits (N = 70). Two of these respondents indicated that their benefits are provided by their business.

## ***Business Financing***

### **Alternative sources of financing:**

67% (89) indicated that they learned about alternative sources for financing their business through MBDP.

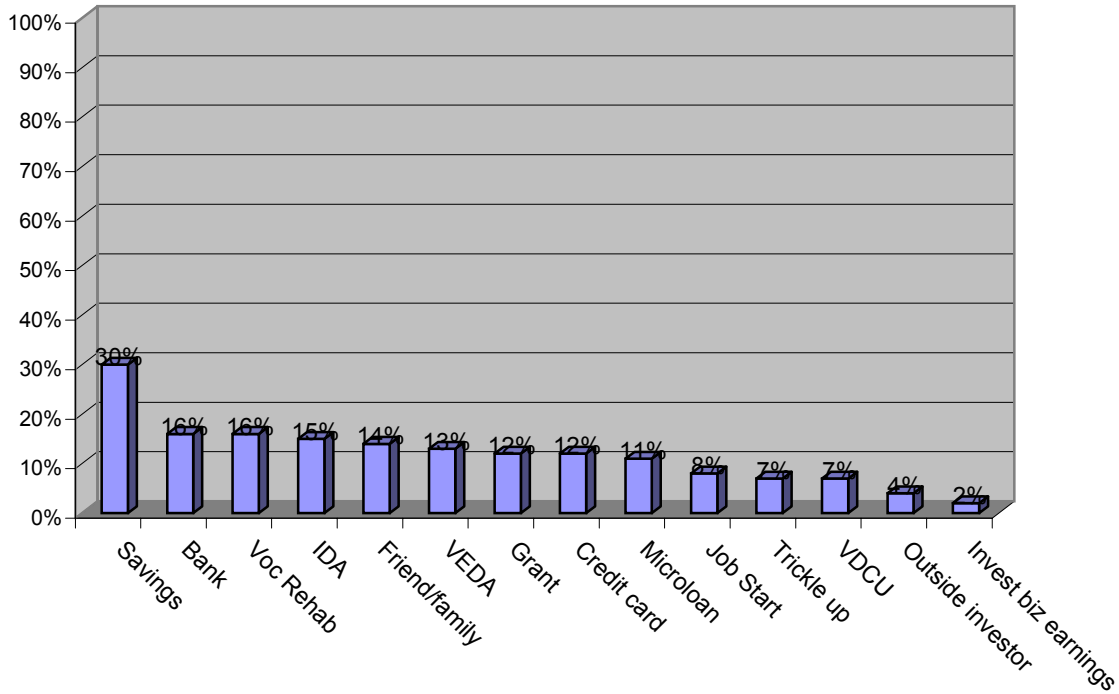
### **Sources of initial capital investment for business (Figure 4):**

Figure 4 presents the various sources of capital investment respondent reported using for their business. Many of the respondents indicated using more than one source, so the total percentages are greater than 100%.

- Savings 30% (33)
- Bank loan 16% (17)
- Vocational Rehabilitation 16% (17)
- IDA 15% (16)
- Friend or family loan 14% (15)
- Other VEDA programs 13% (14)
- Grant funding 12% (13)
- Credit Card 12% (13)
- Micro-loan 11% (12)
- Job Start 8% (9)
- Trickle up 7% (8)
- VDCU 7% (8)
- Outside investor 4% (4)
- Business earnings investment 2% (2)

*N* = 110

**Figure 4. Sources of Initial Capital Investment**



Two respondents indicated using a *Revolving Loan Fund*, one being the Springfield Revolving Loan Fund and the other was local bank loan.

**Total dollar amount of loans received:**

Range: \$200.00-\$45,000.00

Mean: \$9,690.00

Median: \$5,100.00

Mode: \$10,000.00

*N* = 42

## ***Business Sales***

### **Sales generated in 2002 or last year business was open:**

Range: \$75.00-\$475,000.00

Mean: \$36,000.00

Median: \$6,000.00

*N* = 51

### **Business sales status:**

Almost 80% (53) of respondents indicated that their business sales are growing or stable. Only 13% (9) reported that they are decreasing.

- Growing 52% (35)
- Stable 27% (18)
- Decreasing 13% (9)
- Within projections of business plan 8% (5)

*N* = 67

### **Profit and Loss Statements for last six months show:**

69% (43) of respondents reported that their Profit and Loss Statements showed a profit or breakeven.

- Profit 35% (22)
- Loss 32% (20)
- Breakeven 33% (21)

*N* = 63

### **Majority of sales are generated:**

Almost half (49%; 35) of respondents reported that their sales are generated locally, defined as a 50 mile radius from their production site, followed by 22% (16) within Vermont and 14% regionally, including VT, NH, and NY.

- Locally 49% (35)
- Within Vermont 22% (16)
- Regionally 14% (10)
- Nationally 8% (6)
- Internationally 1% (1)
- Online 6% (4)

*N* = 72

### **Plan to expand to other market areas in next 12 months:**

A little over a third of participants indicated that they plan to expand into other market areas in the next 12 months (*N* = 66).

- Yes 38% (25)
- No 62% (41)

## *Job Creation and Benefits*

### *Highlights:*

**Number of owner jobs created = 63 (45%)**

**Total number of part time and full time jobs created = 80 jobs**

Number of **part time jobs** created = 54 part time jobs created by 13 respondents

Number of **full time jobs** created = 26 full time jobs created by 7 respondents

**13% (18) of MBDP clients surveyed created jobs other than their own.**

**5 respondents created both part time and full time jobs**

### **Owner job creation:**

*45% (63) of respondents created jobs for themselves as they indicated that their business ("self-employment") was a major source of income. This percentage is high as 52% (73) of respondents indicated that at the time of the survey, their business was somewhere from the start-up phase to expansion through additional financing. See Figure 1 on page 6 for details on business status at intake and time of survey.*

### **Other job creation:**

*13% (18) of MBDP clients surveyed created employment in addition to their own job*

### **Part-time jobs:**

- Total number of part time jobs created = 54
- 9% (13) of respondents created between 1 and 20 part time jobs
- For the ten businesses with *between one and four part time jobs*, the average hourly wage is \$9.00/hr for between 4 and 40 hours a week (average 23 hrs/wk).
- For the three businesses with *more than four part time jobs*, the total value of their annual part time payroll is \$4,000.00, \$50,000.00, and \$75,000.00 (average value is \$43,000.00 and the median value is \$50,000.00).
- 2 of the 13 businesses that created part time jobs provide their part time employees with medical and health benefits.

### **Full-time jobs:**

- Total number of full time jobs created = 26
- 5% (7) of respondents created between 1 and 9 full time jobs
- For five businesses with between one and four full time jobs, the average hourly wage is \$23.75/hr for between 8 to 60 hours a week (average 36 hrs/wk).
- For the two businesses with *more than four full time jobs*, the total value of their annual full time payroll is \$50,000.00 and \$200,000.00 (average value is \$125,000.00).
- 2 of the 7 businesses that created full time jobs provide their full time employees with medical and health benefits.

### ***Client Case Studies***

Case studies of five clients from four of the MBDP agencies are highlighted below because of the tremendous gains they made in their business through MBDP assistance. These five respondents created both part time and full time jobs and reported an increase in their annual household income ranging from \$10,000 to \$63,000.

- 1. One respondent created **20 part time jobs** with an annual value of their PT payroll of \$50,000.00 and created **4 full time jobs**, with a reported annual value of their FT payroll of \$50,000.00. This person came to MBDP at **SEVCA** in the planning stages in February 1999 and expanded their service-based business through additional financing in January 2000. They worked one-on-one with counselors and attended various seminars at SEVCA. Their total sales in 2002 were \$425,000.00. After almost four years of services with MBDP, their annual household income increased by \$51,300.00.*
- 2. One respondent created **11 part time jobs** with an annual value of their PT payroll of \$75,000.00 and created **9 full time jobs**, with an annual value of their FT payroll of \$200,000.00. They came to MBDP at **CVOEO** in September 2001 with a business that was established in January 2000, with a need to better organize their service-based business. They participated in the NxLevel Business Plan Basics course and worked one-on-one with business counselors at CVOEO. Their total sales in 2002 were \$475,000.00 and they reported an increase of \$30,000.00 in household income since they started their business approximately one and a half years ago.*
- 3. One respondent created **5 part time jobs** and **2 full time jobs**. This person came to MBDP at **BROC** in May 2000 with a construction business they had started in January 1999. They reported attending seminars, business round tables, and working one-on-one with business counselors at BROC. Over a three-year period, their business continues to be stable, with annual sales in 2002 of \$29,000.00. Since they started working with MBDP, their income has increased by \$10,000.00.*
- 4. One respondent created **3 part time jobs** and **3 full time jobs**. This person came to MBDP at **NEKCA** in April 2002 with a stable business in services, and in one year of working with MBDP is in the process of expanding their business through additional financing. They used most MBDP services, include four classes, seminars, and worked one-on-one with business counselors at NEKCA. They did not report their sales, but their income increased by \$63,000 in the one year they worked with MBDP.*
- 5. One respondent created **2 part time jobs** and **2 full time jobs**. This person came to MBDP at **CVOEO** in March 2002 in the planning stages of their retail business and after one year of services, they now have a stable business. They reported having worked with business counselors at CVOEO. They did not report their sales, but their income increased by \$12,000 in the one year they worked with MBDP.*

## ***Business Income***

### **Hours per week spent on business:**

Range: 5-110 hours

Mean: 41 hours

Median: 35 hours

Mode: 30 hours

*N* = 64

### **Annual salary earned from business:**

29% (21; *N* = 73) of the respondents who had an existing business or had sold/closed their business indicated that they were able to draw a wage from their business. Of those, 11 people reported their annual salary.

Range: \$2,400.00-57,600.00

Mean: \$22,800.00

Median: \$20,000.00

*N* = 11

### **Hourly wage earned from business:**

Hourly wages were calculated based on the annual wage figures.

Range: \$3.85-30.00/hr

Mean: \$11.80/hr

Median: \$10.00/hr

Mode: \$15.00/hr

*N* = 11

## Income Changes

Table 3. shows the changes in annual household income as reported by respondents from the intake of MBDP, to 2002 and 2003. There is an overall increase in income from intake to 2002 and 2003, based on the measures of central tendencies. The average income increased from \$15,500.00 to \$19,600.00 in both 2002 and 2003. The modal value (received the highest percentage of respondents) increased from \$0.00 at intake to \$12,000.00 in 2002 and \$24,000.00 in 2003.

**Table 3. Change in annual household (HH) income from intake to 2002 and 2003.**

	<b>Annual HH income at intake</b>	<b>Annual HH income in 2002</b>	<b>Annual HH income in 2003</b>
<b>Range</b>	\$0.00- \$72,000.00	\$500.00-\$75,000.00	\$720.00-\$84,000.00
<b>Mean</b>	\$15,500.00	\$19,600.00	\$19,600.00
<b>Median</b>	\$12,700.00	\$17,000.00	\$15,600.00
<b>Mode</b>	\$0.00	\$12,000.00	\$24,000.00
<b>N</b>	136	103	111

**Change in annual household income from intake to 2003:**

Range: \$-29,300.00-\$63,700.00

Mean: \$4,708.00

Median: \$3,360.00

Mode: \$12,000.00

*N* = 116

A paired sample t-test of the annual household income at program intake (average \$15,500) to 2003 (average 19,500.00) shows that there is a statistically significant increase in income from pre to post MBDP services ( $t = 3.16$ ;  $p \leq .01$ ). Likewise, a statistically significant increase was found in comparing income at intake (average \$15,500.00) to 2002 (average \$19,600.00) ( $t = 2.5$ ,  $p < .01$ ). Figures 5a-5c depict the changes in annual household income from intake to 2002 and 2003 (p. 18). At intake, 68% reported their income to be less than \$15,000.00. However, in 2003, that number dropped to 50%, with increases seen in the \$15,001.00-\$20,000.00 category and those earning over \$30,001.00.

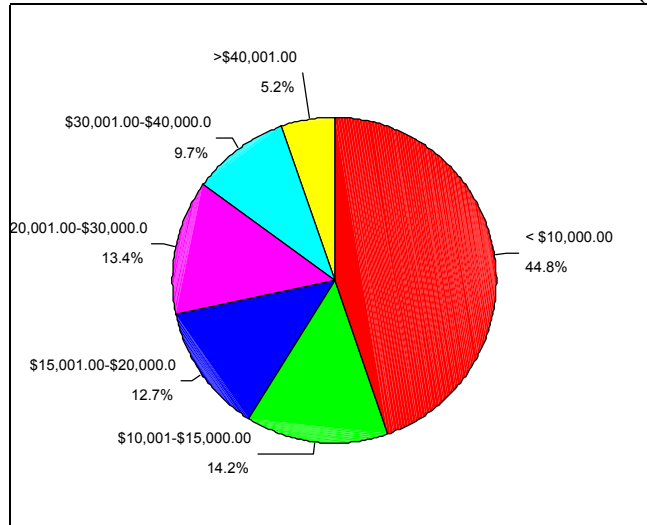
**Changes in household income because of business:**

Respondents were asked to indicate if their household income changed because of their business. Almost 80% (48) reported that this household income had increased or stayed the same because of their business.

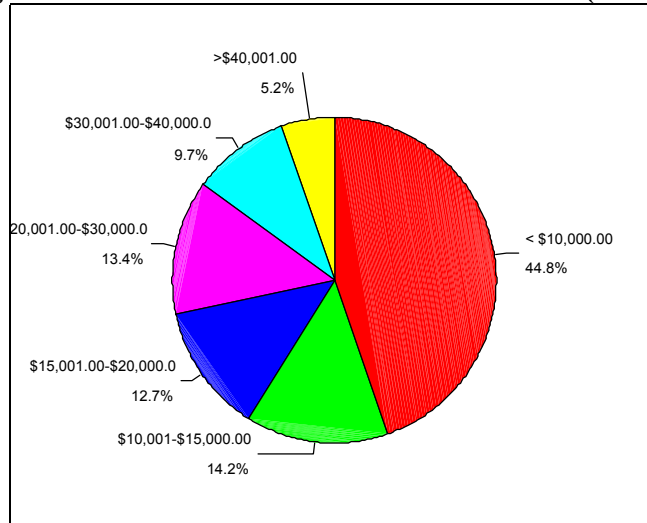
- Increased household income because of business 48% (35)
- Decreased 18% (13)
- Stayed the same 34% (25)

*N* = 73

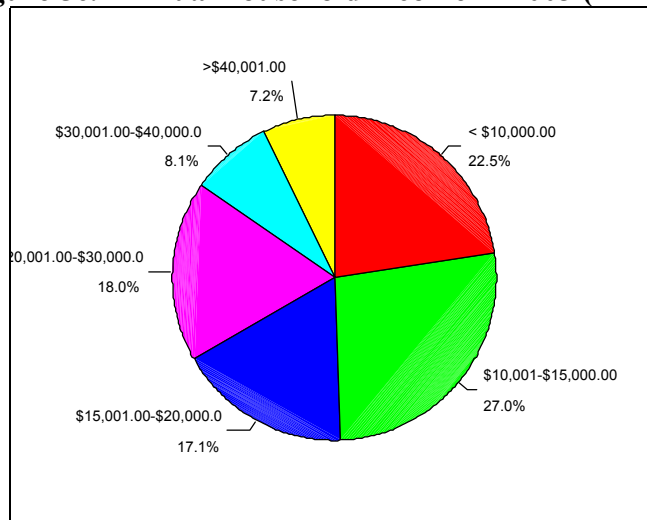
**Figure 5a. Annual household income at client intake ( $N = 136$ )**



**Figure 5b. Annual household income in 2002 ( $N = 103$ )**



**Figure 5c. Annual household income in 2003 ( $N = 111$ )**



**Dollar amount of increase in income because of business:**

Range: \$180.00 - \$30,000.00

Mean: \$5,200.00

Median: \$3,000.00

Mode: \$3,000.00

*N* = 19

**Dollar amount of decrease in income because of business:**

Range: \$35.00-25,000.00

Mean: \$7,800.00

Median: \$4,600.00

Mode: \$10,000.00

*N* = 10

**Changes in expenses for childcare because of business**

- Increase 24% (8)
- Decreased 6% (2)
- Stayed the same 70% (23)

*N* = 33

**Changes in expenses for transportation because of business**

- Increase 48% (32)
- Decreased 3% (2)
- Stayed the same 49% (33)

*N* = 67

**Other steps to improve income (Table 4):**

In an open-ended question, respondents were asked to report any other steps they are taking to improve their income. The top three responses include continuing with their current business (14%; 19), continuing education, nonspecific (14%; 18), and other skills training, not leading to a degree (14%; 18). Overall, 42% (56) of respondents referenced going back for various types of education.

**Table 4. Other steps to improve income, % (n) (N = 132)**

<b>Steps to improve income</b>	<b>% (n)</b>
Continue with business	14% (19)
Continuing education	14% (18)
Other skills training	14% (18)
Other employment	8% (10)
Seeking other employment	7% (9)
Thinking about going back to school	7% (9)
Public assistance	7% (9)
Pursue higher education degree	6% (8)
Possible expansion	3% (4)
Pursuing a CDA	2% (3)
Website development	2% (3)
Working with disability	2% (3)
Business expansion	2% (3)
Joined trade association	2% (3)
Teach	2% (3)
Nothing	12% (16)

## Sources of income

### Sources of income:

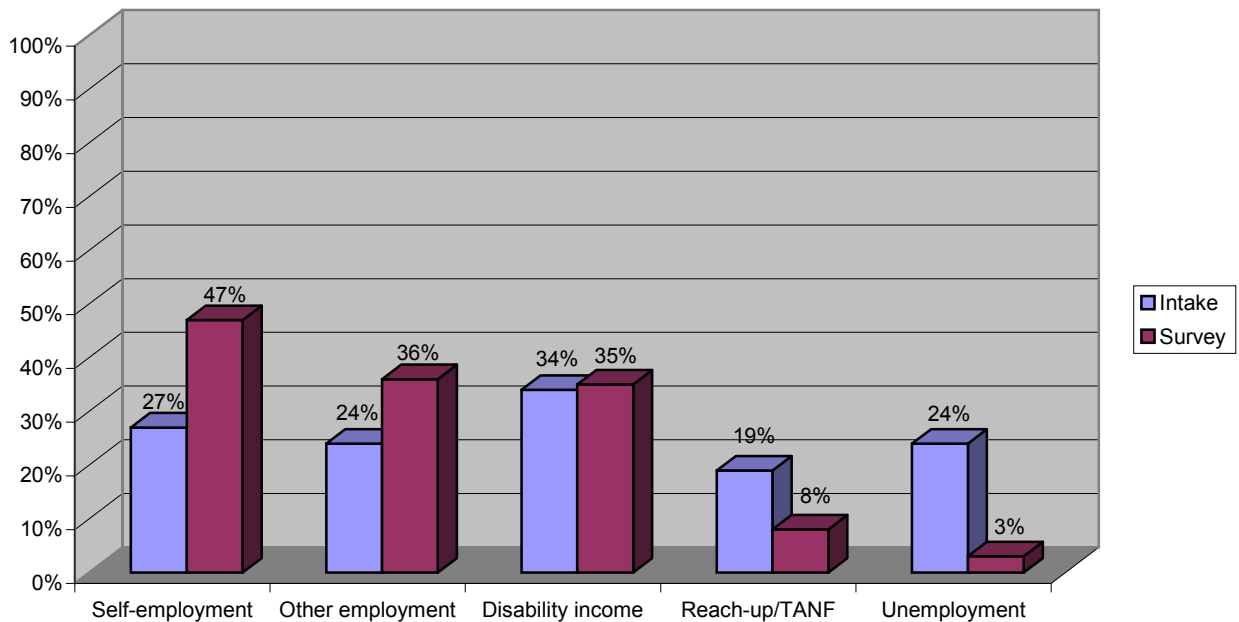
Table 5 and Figure 6 shows that respondents reported a decrease in reliance on public assistance and an increase in reliance on self-employment and employment income, since their intake into the MBDP program.

At intake, 27% (37) reported self-employment as a source of income and at the time of the survey, 47% (63) reported this as a source. At intake, 24% (32) were received income form other employment and at the survey, 36% (48) reported this as a source of income. No change was seen the number of participants (46) who reported receiving disability income, which is to be expected. At intake, 19% were receiving TANF benefits and at the time of the survey, 8% were receiving TANF. Finally, at intake, 24% reported unemployment, while at the survey only 3% reported receiving unemployment income.

**Table 5. Change in public assistance from intake to time of survey**

Public assistance category	Intake	Survey
Self-employment	27% (37)	47% (63)
Other employment	24% (32)	36% (48)
Disability income	34% (46)	35% (46)
Reach-up/TANF	19% (26)	8% (10)
Unemployment	24% (33)	3% (4)

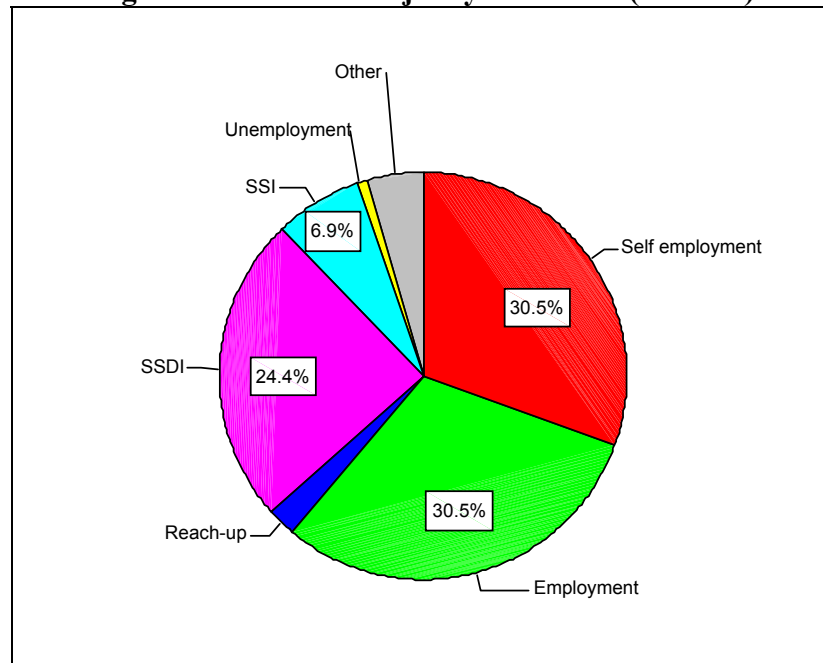
**Figure 6. Change in client reliance on public assistance from intake to survey**



**Source of majority of income (Figure 7):**

Respondents were also asked to indicate the main source of most of their income. Almost a third each reported self employment (31%; 40) and employment (31%; 40), followed by SSDI (24%; 32) as their major source of income. This is depicted in Figure 7.

**Figure 7. Source of majority of income (N = 131)**



**Currently on public assistance:**

- Yes 38% (51)
- No 62% (82)

N = 133

**If not on public assistance, have they ever been on it:**

- Yes 44% (36)
- No 56% (45)

N = 81

*17% (6) of those no longer reliant of public assistance accredited this to MBDP!*

**Change in TANF benefits: (N = 132)**

- 14% (18) of respondents that reported receiving TANF benefits at intake did not report receiving them at time of survey.
- 2% (3) of respondents that were not receiving TANF benefits at intake reported that they now receive them.
- 84% (111) reported that they did not receive TANF benefits at intake or at survey.

***Skills, Knowledge and Attitude Changes***

**Skills and knowledge (Table 6):**

In an open-ended question, respondents were asked to indicate any new or improved skills and/or knowledge that they gained because of MBDP services. Table 6 depicts these responses re-coded into categories. The top four categories were writing a business plan (40%; 54), technology skills (26%; 35), marketing skills (14%; 19), and financial planning and management (12%; 16).

**Table 6. New and improved skills and knowledge gained because of MBDP services (N = 136)**

<b>Skills and Knowledge</b>	<b>% (n)</b>
Writing a business plan	40% (54)
Technology skills - computer, internet, website development	26% (35)
Marketing	14% (19)
Financial planning and mgmt	12% (16)
Record keeping/bookkeeping/budgeting for business	10% (14)
Steps to start and maintain a business	10% (13)
Expanded knowledge base, general	8% (11)
Networking	7% (10)
Self confidence	7% (9)
Business communication skills	6% (8)
Interpersonal skills	4% (5)
Resources for business	3% (4)
Product development	2% (3)
Taxes	2% (3)
Vermont regulations/economy	2% (3)
Friendships/support system	1% (2)
Legal issues	1% (2)
None	10% (14)
Negative comment	1% (2)

**Changes in attitude because of MBDP services:**

Of the following list, participants were asked to report any changes in attitude they experienced because of MBDP services. The top three changes that over 60% reported experiencing include broadened scope of possibilities (67%; 93), more motivated and encouraged (62%; 85), and increased self-confidence (61%; 84).

- Broadened scope of possibilities 67% (93)
- More motivated/encouraged 62% (85)
- Increased self-confidence 61% (84)
- Improved personal outlook 54% (74)
- Increased self esteem 53% (73)
- Less fearful 46% (63)
- More responsible 45% (62)
- Improved overall quality of life 44% (61)
- None 8% (11)

*N* = 138

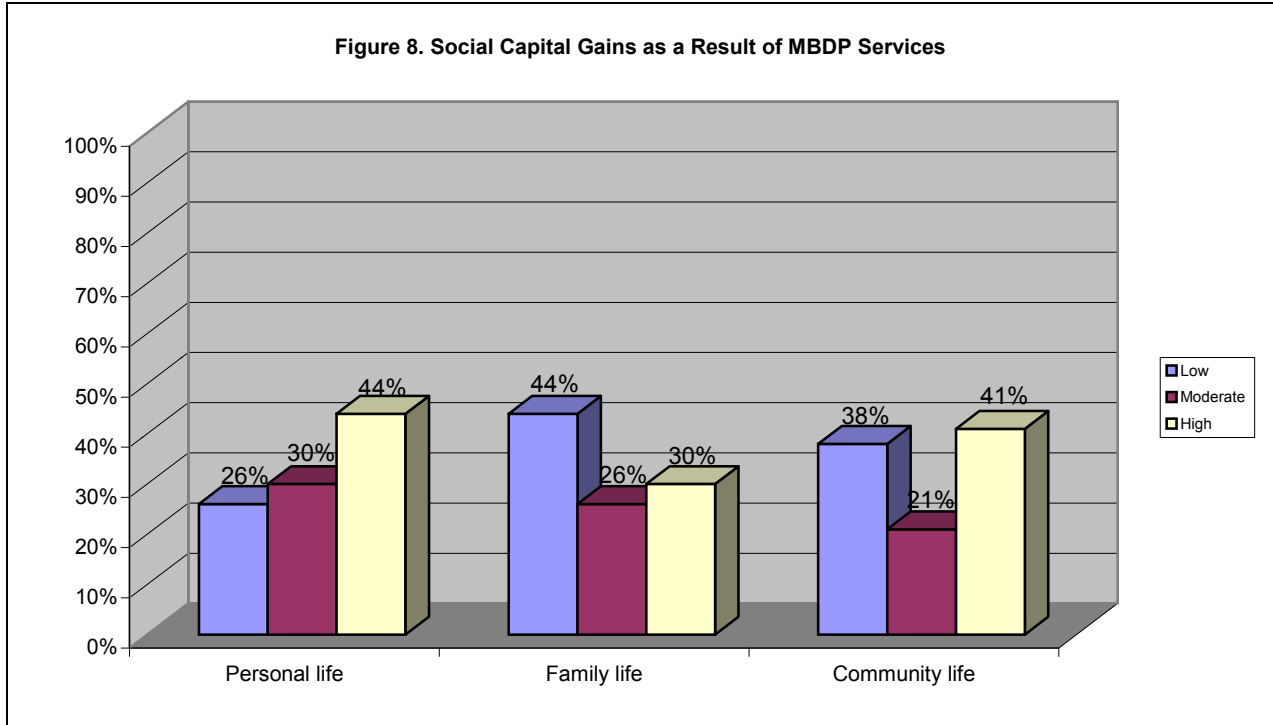
**Social capital gains in personal, family, and community life as a result of MBDP services (Table 7 and Figure 8):**

Participants were asked to rank on a scale from 0-10, with 0 being “no improvement” and 10 being “a lot of improvement”, the level to which their personal life, family life, and community life improved as a result of MBDP services. Personal life can refer to mental and/or physical health, social skills, and self-awareness. Family life can refer to better communication, improved parenting, and more able to provide for family. Community life can refer to involvement in one’s neighborhood, friends, church, youth groups, and other civic activities. The measures of central tendencies are presented in Table 7.

**Table 7. Measure of central tendencies for social capital gains**

	<b>Personal life</b>	<b>Family life</b>	<b>Community life</b>
Mean	5	4	5
Median	6	5	5
Mode	0	0	0
N	135	131	137

For analytical purposes, the scale was grouped into three categories of low (0-3), moderate (4-6) and high (7-10). The grouped responses are presented in Figure 8. High gains were reported in personal life, with three quarters of respondents indicating moderate (30%; 40) to high (44%; 60) improvement in their personal life. Respondents reported the lowest gains in family life (44%; 58) and community life (38%; 52). However, overall a little over half of all respondents reported moderate (26%; 34) to high (30%; 39) gain in family life and almost three quarters reported moderate (21%; 29) to high (41%; 56) levels of improvement in their community life.



- 82 % (110) of MBDP respondents reported that they are *better off today* because of MBDP services.

***Services Received and Satisfaction***

**Services received and satisfaction:**

Table 8 depicts the service received, the percent that utilized the service, the percent that completed the service and their level of satisfaction with the service. Satisfaction was presented to the respondent on a scale from 1-5 with 1 being very dissatisfied and 5 being very satisfied.

The two courses that received the highest utilization and completion rates were the Entrepreneurial Training Program and the NxLevel Business Plan Basics. VIP Computer classes received the highest satisfaction rating with 82% (28) indicating they were satisfied or very satisfied. NxLevel received the second highest with 80% (38) indicating satisfied or very satisfied. Sixty percent (80) of respondents reported being referred to other services by MBDP. The list of referral sources is presented below Table 8. Overall, 89% (69) reported high satisfaction levels with referrals made.

**Table 8. Percent of respondents that utilized MBDP services and satisfaction levels %(n)**

Service	% (n) Utilized	% (n) Completed	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
Entrepreneurial training program	49% (62)	84% (51)	2% (1)	10% (6)	13% (8)	29% (18)	47% (29)
Business Readiness	25% (43)	83% (34)	2% (3)	9% (4)	16% (7)	30% (13)	42% (18)
NxLevel Business Plan Basics	40% (49)	87% (41)	2% (1)	6% (3)	11% (5)	23% (11)	57% (27)
Recipe for Success	15% (19)	72% (13)	0	11% (2)	11% (2)	26% (5)	53% (10)
VIP Computer classes	26% (35)	71% (25)	0	6% (2)	12% (4)	29% (10)	53% (18)
Referred to other services	60% (80)	--	3% (2)	1% (1)	8% (6)	26% (20)	63% (49)

**Services referred to:**

- Financial services 31% (24)
- Other MBDP or Community Action services 12% (9)
- Women’s Business Network 10% (8)
- Vocational Rehabilitation 10% (8)
- Vermont Economic Development Authority 8% (6)
- Other course work 8% (6)
- Small Business Association 5% (4)

- Marketing services 5% (4)
- Job Start 4% (3)
- Department of Employment and Training 3% (2)
- Agricultural related resource 3% (2)
- Other community services 3% (2)

$N = 59$

**Other MBDP services:**

Respondents were asked to indicate if they received any of the following services. One-on-one technical assistance and counseling was a service that 60% (84) reported receiving.

- One-on-one technical assistance and counseling 60% (84)
- Seminars 23% (32)
- Business Roundtable 21% (29)
- Other 22% (30)

$N = 139$

**Number of classes and services:**

86 respondents indicated that they completed between 1 and 5 classes through MBDP, with an average of 2, median value of 1.5 and modal value of 1 class.

The total number of services clients received ranged from 1 to 10 services, including classes (completed only), technical assistance, seminars, Round Tables, and referrals to other services. The mean value of services received is 3, median value of 3 and modal value of 1 and 2 ( $N = 129$ )

**Length of time working with MBDP:**

Range of months: 7-61

Mean: 24

Median: 21

Mode: 13

$N = 136$

Range of years: 1-5

Mean: 2

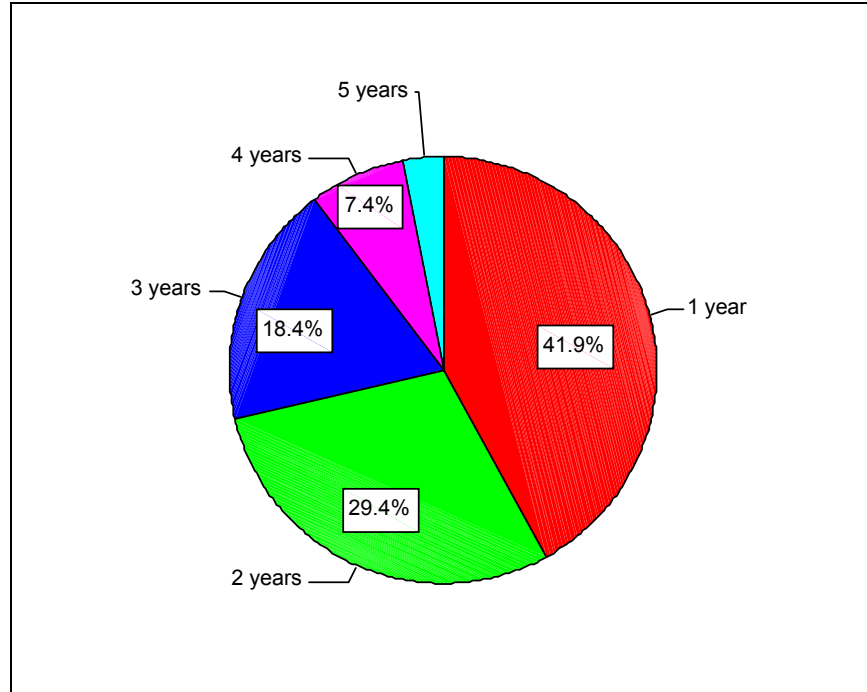
Median: 2

Mode: 1

Number of years worked with MBDP (Figure 9) ( $N = 136$ ):

- 1 Year 42% (57)
- 2 years 30% (40)
- 3 years 18% (25)
- 4 years 7% (10)
- 5 years 3% (4)

**Figure 9. Number of years worked with MBDP (N = 136)**



**Overall satisfaction with MBDP services and business counselors:**

Respondents were asked to report their level of agreement with several statements about MBDP services and business counselors. The scale was from 1 to 5 with 1 being strongly disagree and 5 being strongly agree.

***MBDP Services***

- 86% (232) agreed or strongly agreed that MBDP services provided the information and assistance needed.
- 80% (110) agreed or strongly agreed that MBDP services met their expectations
- 72% (90) agreed or strongly agreed that MBDP services aided in the success of their business

***Business Counselors***

- 83% (99) agreed or strongly agreed that working with MBDP business counselors aided in my business development.
- 72% (85) agreed or strongly agreed that MBDP business counselors provide the necessary and on-going support for their business development.

Participants were asked to indicate on a scale from 0-10 their satisfaction level with the overall MBDP services and one-on-one counseling and technical assistance received, with 0 being completely dissatisfied or 0% satisfied and 10 being completely satisfied or 100% satisfied. For the purposes of analysis, the categories were grouped into low levels of satisfaction (0-3), medium (4-6), and high (7-10). Figures 10 and 11 present the grouped responses. Overall, a high level of satisfaction was reported by most clients for MBDP services and one-on-one technical assistance.

**Satisfaction with overall services (Figure 10):**

Range: 0-10

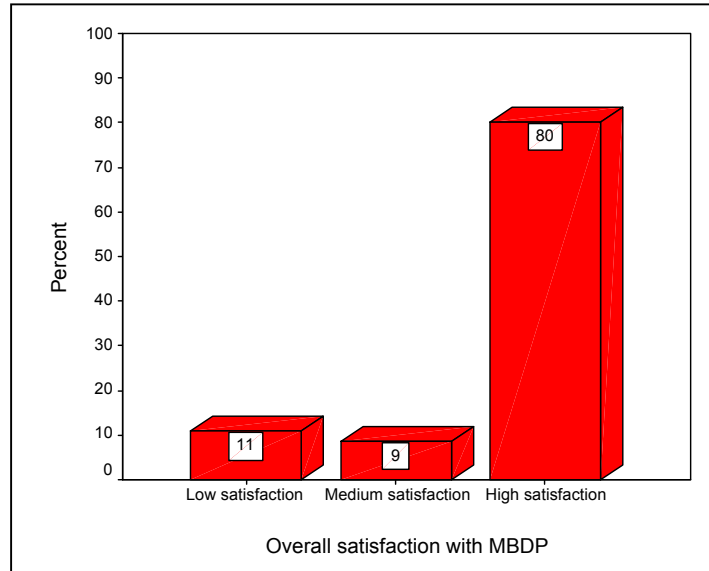
Mean: 8

Median: 9

Mode: 10

*N* = 137

**Figure 10. Overall satisfaction with MBDP (N = 137)**



**Satisfaction with one-on-one counseling and technical assistance (Figure 11):**

Range: 0-10

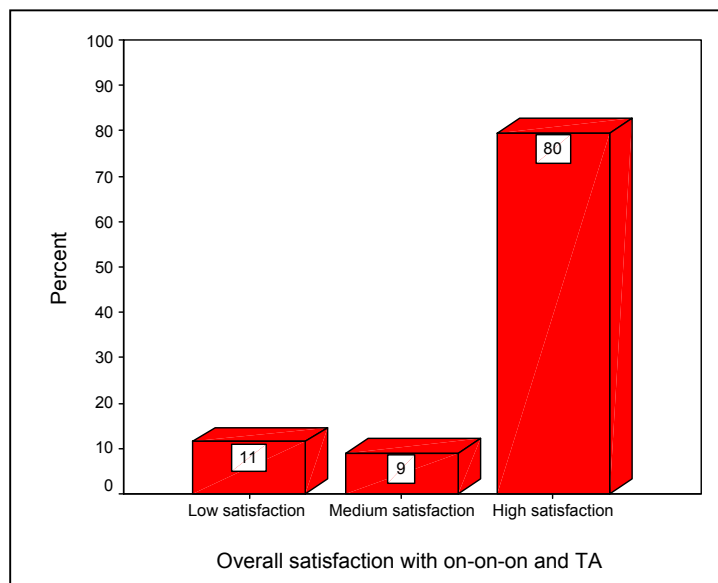
Mean: 8

Median: 10

Mode: 10

*N* = 122

**Figure 11. Overall satisfaction with one-on-one and technical assistance (N = 122)**



**Areas that worked well for clients (Table 9):**

Survey participants were asked to discuss any areas that worked well for them. Responses were gathered from an open-ended question and recoded into the categories listed in Table 9. The four most common responses given include: skills learned (24%; 32), supportive staff (21%; 28), one-on-one assistance (17%; 22), and classes and materials 11% (14). Many of the responses focused on positive and supportive staff and courses or events attended.

**Table 9. Areas that worked well for clients (N = 132)**

<b>Area that worked well</b>	<b>% (n)</b>
Skills learned	24% (32)
Supportive staff	21% (28)
One-on-one assistance	17% (22)
Classes and materials	11% (14)
Provided direction	8% (11)
Nothing	8% (11)
Staff and program flexibility	8% (10)
Computer classes and skills gained	8% (10)
Networking	5% (7)
Overall positive comments	5% (1)
Knowledgeable staff	3% (4)
Round Table sessions	3% (4)
Worked with disability	2% (3)
Funding opportunities	2% (3)
Marketing skills	2% (3)
Improved attitude	2% (3)

**Areas that did not work well for clients (Table 10):**

Clients were also asked to indicate what did not work well for them in an open-ended question, as presented in Table 10. Almost half (45%; 56) of the respondents responded by stating “nothing”. Overall, responses focused on specific aspects of courses that did not work for them.

**Table 10. Areas that did not work well for clients (N = 125)**

<b>Area that did not work well</b>	<b>% (n)</b>
Nothing	45% (56)
Program not for me	9% (11)
More flexible schedule of courses	7% (9)
Classes too short	6% (8)
Did not like teachers	6% (7)
Issues relating to financial opportunities	6% (7)
Courses too general	5% (6)
Different levels of students in classes	3% (4)
Lack of transportation	3% (4)
Felt disrespected	2% (3)
Need more follow-up	2% (3)
Class cancellations	2% (2)
Too much work	2% (2)
Unrealistic expectations	2% (2)
Not enough individual attention	2% (2)
Class size too small	1% (1)
Courses too specific	1% (1)

**Suggestions on improving MBDP services:**

Participants were asked to indicate any suggestions they had on improving MBDP services. Open-ended answers were recoded into the following categories. The number of responses is provided rather than the percentages due to the small number of consistent responses. Three major themes emerge, including: course recommendations, staff recommendations, and programmatic changes.

***Courses***

- Courses on evenings or weekends (5)
- Course location (4)
- More funding opportunities/assistance (4)
- Longer course offerings (3)
- More flexible classes (3)
- More upfront knowledge on business owning (3)
- Introductory computer courses (2)
- More computer training (2)
- Class size limits and no children in classes (1)
- Hands on activities in courses (1)
- Broaden course offerings (1)

- More business plan assistance (1)
- Marketing classes (1)
- More advanced course offerings (1)
- Courses on legal and tax issues (1)
- Refresher courses (1)

***Staff***

- More individual attention (11)
- More consistent or monthly follow-up (6)
- More flexible staff (3)
- Lack of support
- Better counselors
- More qualified staff
- More staff

***Program***

- Broaden advertising of program (5)
- Improve work with disabilities
- Follow up after program completion
- Be more inclusive of people currently employed
- Better computers
- Less paperwork
- Question and answer website

*N* = 123

**Other services that clients would like to see offered by MBDP:**

In an open-ended question, respondents were asked to indicate other types of services or courses they would like MBDP to offer. Two themes emerged in the data, programmatic changes and suggestions for courses. Specifically, 14 people are interested in more course work relating to computers. Open-ended answers were recoded into the following categories. The number of responses is provided rather than the percentages due to the small number of consistent responses. No number indicates that one person provided the response. Fifty-three percent (61) of respondents gave the answer of “none”.

***Programmatic changes***

- None (53%; 61)
- More convenient course location (3)
- More information on resources (2)
- Child care
- Evening and weekend classes
- How to address complaints about program
- More follow-ups
- More individual attention
- Transportation

***Course work***

- More financial/funding information (11)
- Accounting classes (5)
- Marketing courses (5)
- Advanced course work in business (5)
- Tax information (4)
- Industry specific training (2)
- On the job training (2)
- Longer classes
- Monthly networking events
- Refresher courses

***Course work relating to computers (14)***

- More computer training 9
- Website computer class 3
- Advanced computer
- Introductory computer classes

*N = 115*

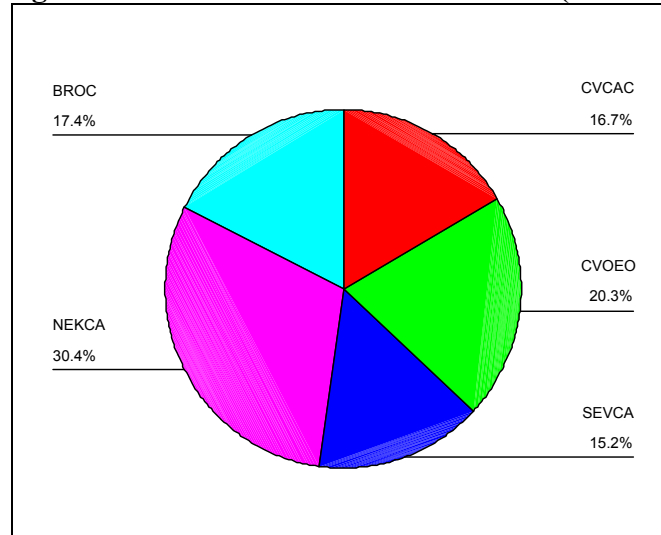
## Client Characteristics

Client demographic information was not gathered through this survey because the information was already collected at their intake to the program. The following provides demographic information on the population surveyed at their enrollment.

### Location of services received and enrollment year:

The survey respondents were fairly evenly split among the five community action agencies, with the highest percentage of respondents from the NEKCA office (Figure 12). The survey population was evenly split between people who had enrolled in 2001 and in 2002, with 50% (69) each.

**Figure 12. Location of services received (N = 138)**



### Gender and ethnicity:

The majority of respondents are female (71%; 96), with 29% (40) male respondents. The majority of respondents identify themselves as Caucasian (96% (130), with 2% (2) each identifying themselves as African American, Native American, and of mixed decent.

### Public assistance, disability status and labor force status:

At enrollment, 19% (26) of clients surveyed were receiving TANF benefits. Thirty-four percent (46) were receiving public assistance for a disability, with 10% (14) receiving SSI and 24% (32) receiving SSDI. Thirty-seven percent (50) indicated that they have a verifiable disability.

Thirty-five percent (48) indicated that they were receiving food stamps at intake, 9% (12) were receiving housing assistance, and 2% (2) indicated that they were living in public housing at intake.

At intake, 24% (32) were employed, 27% (37) were self-employed, 10% (14) were unemployed 1-14 weeks, 14% (19) were unemployed for 15 or more weeks and 24% (33)

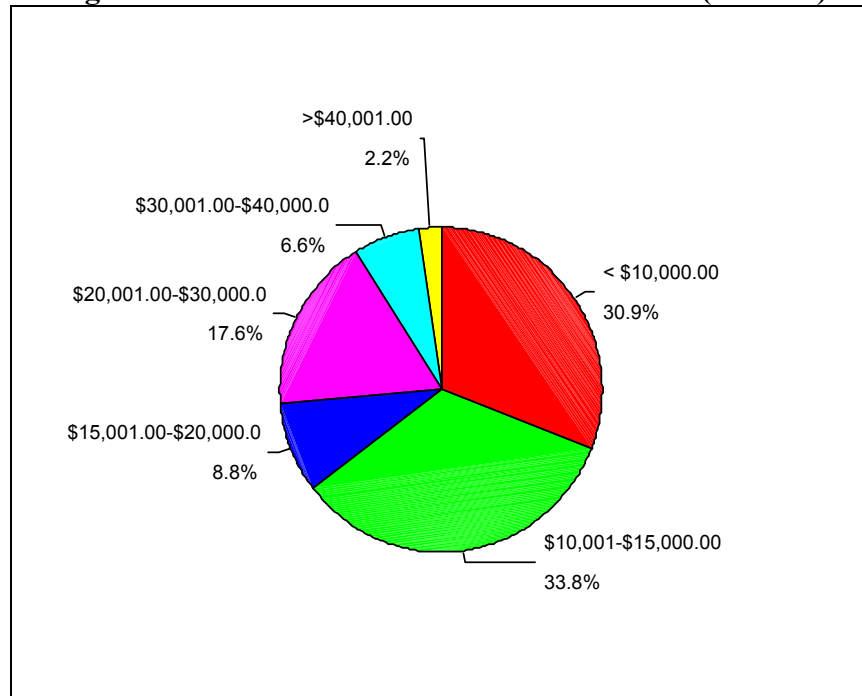
were not in the labor force (N = 135). A comparison of public assistance and income from intake to time of survey is presented in Table 5 and Figure 6 on page 21.

**Income:**

All clients are low to moderate income at intake. Figure 13 depicts the breakdown of client annual household income at intake into five groupings. Over three-quarters of the respondents reported their income at intake to be \$15,000.00 or less.

- 50% (69) are at or below 100% below poverty level
- 75% (103) are at or below 150% below poverty level
- 90% (123) are at or below 70% HUD median income (Job Start eligible)

**Figure 13. Annual household income at intake (N = 136)**



**Age:**

Range: 20-75 years  
Mean: 43 years  
Median: 44 years  
Mode: 47 years

**Family size:**

Range: 1-9  
Mean: 2.5  
Median: 2  
Mode: 1

**Parental status:**

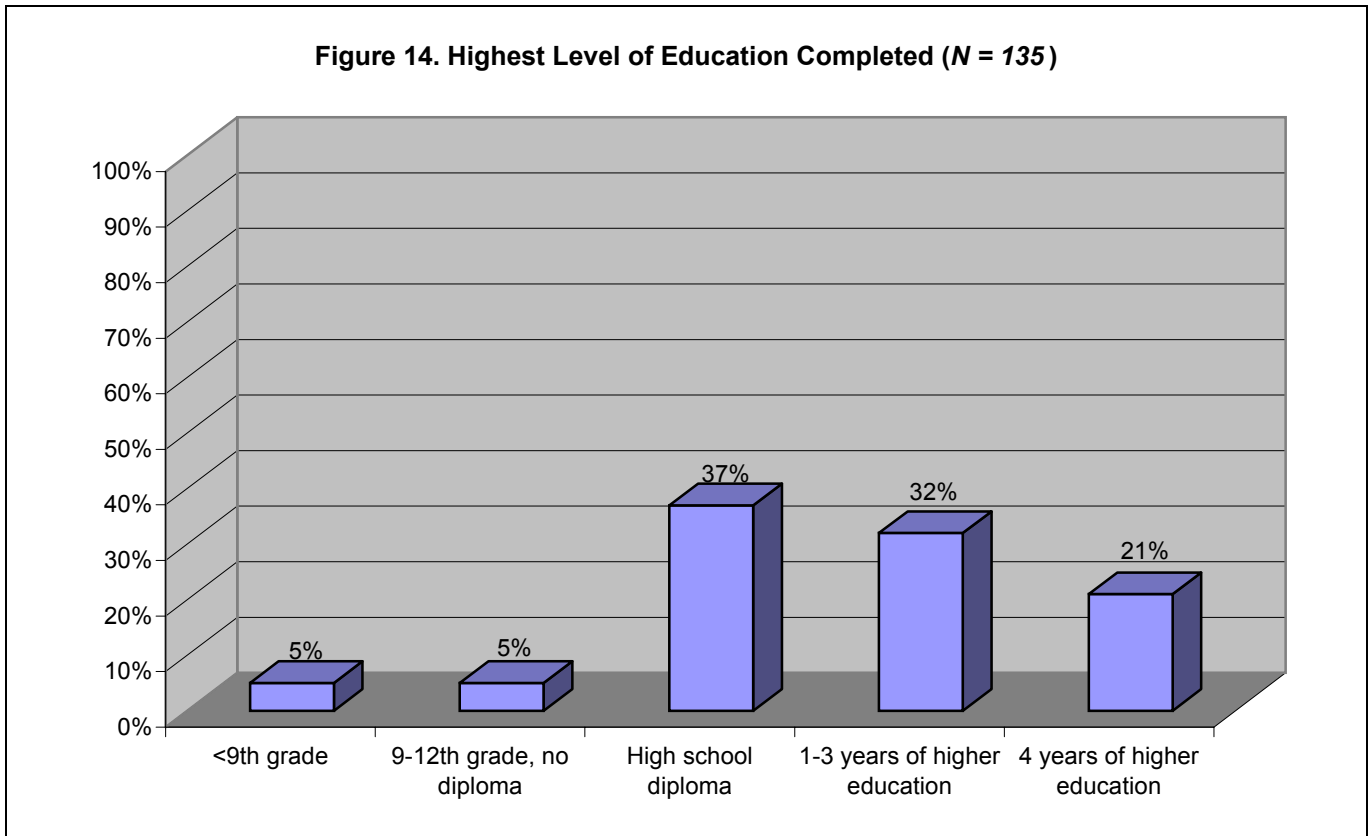
- Single parent with children under 6 years of age 11% (7)
- Single parent with children between 6 and 17 years of age 32% (20)
- Not a single parent, have children 57% (62)

**Number of children in household under 18:**

- No children under the age of 18 54% (74)
- One child 17% (23)
- Two children 20% (27)
- Three children 7% (10)
- Four children 1% (1)
- Five children 1% (1)

**Education (Figure 14):**

Figure 14 shows that 47% of respondents have a high school diploma or less education. Fifty-three percent have from one to four years of higher education.



## ***Major Conclusions***

### **Client Characteristics**

- 71% women
- 43% single parents
- 4% minority (higher than the Vermont minority percentage of 3.2%)
- 47% have a high school education or less
- Majority on some form of public assistance (19% TANF, 34% Disability assistance, 35% Food Stamps, 24% unemployed, 24% not in labor force)
- Low to moderate income at intake (50% - at or below 100% below poverty level, 75% -at or below 150% below poverty level, 90% at or below 70% HUD median income (Job Start eligible))

### **Business Growth**

- 64% (82) of clients experienced growth in their business from intake to the survey.
- 57% (73) reported having a business at the time of the survey.
- 91% (28) of clients started their business in one year or less through MBDP.

### **Job Creation**

45% (63) of respondents created self-employment jobs. In addition to this, 13% (18) of MBDP clients surveyed created employment for others.

- **Total number of part time and full time jobs created = 80 jobs**
  - Number of *part time jobs* created = 54 part time jobs, ave. pay rate of \$9.00/hr.
  - Number of *full time jobs* created = 26 full time jobs, ave. pay rate of \$23.75/hr.

### **Location of sales**

71% within Vermont; 14% regionally including VT, NH, and NY

### **Business Sales**

Range: \$75.00-\$475,000.00

Average: \$36,000.00

Median: \$6,000.00

### **Business Sales Status**

- Growing 52% (35)
- Stable 27% (18)
- Decreasing 13% (9)
- Within projections of business plan 8% (5)

### **Change in Annual Household Income because of Business**

- Increased household income because of business 48% (35)
- Stayed the same 34% (25)
- Decreased 18% (13)

**Change in annual household (HH) income from intake to 2002 and 2003.**

	Annual HH income at <i>intake</i>	Annual HH income in <i>2002</i>	Annual HH income in <i>2003</i>
<b>Range</b>	\$0.00- \$72,000.00	\$500.00-\$75,000.00	\$720.00-\$84,000.00
<b>Mean</b>	\$15,500.00	\$19,600	\$19,600.00
<b>Median</b>	\$12,700.00	\$17,000.00	\$15,600.00
<b>Mode</b>	\$0.00	\$12,000.00	\$24,000.00
<b>N</b>	136	103	111

**Change in Annual Household Income from Intake to 2003**

Range: \$-29,300.00-\$63,700.00

Average: \$4,708.00

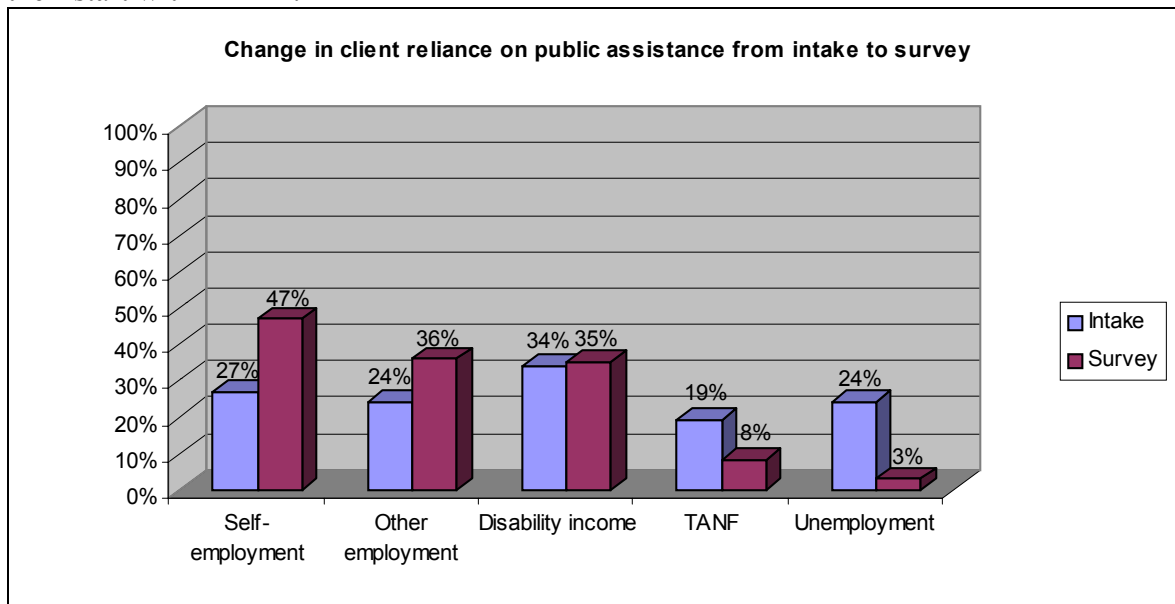
Median: \$3,360.00

Mode: \$12,000.00

A paired sample t-test shows a statistically significant increase from *annual household income* at program *intake to 2003* ( $t = 3.16$ ;  $p \leq .01$ ) and *intake to 2002* ( $t = 2.5$ ,  $p \leq .01$ ).

**Decreased Reliance on Public Assistance**

The bar chart below shows that respondents reported a decrease in reliance on public assistance and an increase in reliance on self-employment and employment income, since their start with MBDP.



**17% (6) of those no longer reliant of public assistance accredited this to MBDP!**

**Loans Received**

Range: \$200.00-\$45,000.00

Average: \$9,690.00

Median: \$5,100.00

Mode: \$10,000.00

## **82% (110) state that they are better off today because of MBDP services**

### **Skills and knowledge**

The top four skills clients reported gaining are: writing a business plan (40%; 54), technology skills (26%; 35), marketing skills (14%; 19), and financial planning and management (12%; 16).

### **Changes in Attitude because of MBDP**

- Broadened scope of possibilities 67% (93)
- More motivated/encouraged 62% (85)
- Increased self-confidence 61% (84)
- Improved personal outlook 54% (74)
- Increased self esteem 53% (73)
- Less fearful 46% (63)
- More responsible 45% (62)
- Improved overall quality of life 44% (61)

### **Number of Classes and Services**

- 61% (86) of respondents completed between 1 and 5 classes through MBDP, with an average of 2, median value of 1.5 and modal value of 1 class.
- Clients received from 1 to 10 types of services, including classes (completed only), technical assistance, seminars, Round Tables, and referrals to other services. The average value of services is 3 and median is 3. (N = 129)
- 72% of clients worked with MBDP for one to two years, with a range of 1-5 years.

### **Satisfaction with MBDP Services**

- 86% (232) agreed or strongly agreed that MBDP services provided the information and assistance needed.
- 80% (110) agreed or strongly agreed that MBDP services met their expectations
- 72% (90) agreed or strongly agreed that MBDP services aided in the success of their business

### **Satisfaction with MBDP Business Counselors**

- 83% (99) agreed or strongly agreed that working with MBDP business counselors aided in my business development.
- 72% (85) agreed or strongly agreed that MBDP business counselors provide the necessary and on-going support for their business development.

### **Positive Aspects of the MBDP Program**

- Skills learned
- Supportive and flexible staff
- One-on-one assistance
- Classes and materials

For additional copies of this report, please contact:

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