

Georgia Minority Business Owner Survey

**The Georgia Small Business Development Center's
Office of Minority Business Development and
Applied Research Division**

in collaboration with the Atlanta Urban League

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Executive Summary

In an effort to gather information and create a profile of Georgia's minority businesses, the Georgia Small Business Development Center's Office of Minority Business Development and Applied Research Division, in collaboration with the Atlanta Urban League, developed and administered the Georgia Minority Business Owner Survey. The survey addressed a variety of questions regarding minority businesses in Georgia, such as determining business types, the number of full- and part-time employees, sales, business location, use of computers, and various demographics.

The following is a summary of the most significant findings produced by the Georgia Minority Business Owner Survey:

- Over 37 percent of minority business respondents indicated that they had no full-time employees, while over 25 percent said that they had no part-time help. Of those minority businesses that employed additional help, the typical response was 1 or 2 additional employees.
- Sixty-eight percent of respondents said they expected their number of employees to increase over the next 12 months, while 31 percent expected no change in their workforce.
- A large majority (71.7%) of minority businesses utilize independent contractors.
- The vast majority of respondents (86.6%) said that they had been in business for less than 10 years. Just over 11 percent indicated that they had been in business between 10 and 19 years.
- Over 44 percent of respondents characterized their businesses as corporations, while 29.5 percent said that their business was a Limited Liability Corporation (LLC). Over 22 percent (22.5) of respondents described their business as a sole proprietorship.
- The vast majority of the respondents (95%) expect an increase in the number of customers they serve over the next 12 months. The same percentage expects profits to increase during this same period.
- A majority of respondents (56.3%) indicated that their business is located in their home. Just over 10 percent (10.3) said their business was located in an office/business complex, while about 9 percent (9.1) situated their business in a strip mall. Convenience and cost were the primary considerations for determining business location.
- Nearly all of the respondents (98%) said that they used computers in their business. Of these, nearly all indicated that they used computer for sending and receiving business-related email (98%), and for researching goods and services (97%).

Background

The Georgia Small Business Development Center's Office of Minority Business Development recognizes the need to gather information that will provide focus and guide decisions about assistance to minority businesses. Research enables those who serve minority businesses an opportunity to more closely serve the needs of these business owners by uncovering issues and challenges that these entrepreneurs face daily. In an effort to better address the needs and concerns of minority business owners, the Office of Minority Business Development, in cooperation with the Atlanta Urban League, commissioned the Applied Research Division of the Georgia Small Business Development Center to perform a comprehensive survey of minority businesses.

The Applied Research Division conducted an internet survey of minority business owners whose total ownership is at least a majority of the business. These business owners were asked a variety of questions, ranging from number of workers and use of independent contractors to questions pertaining to market location and use of computer technology. These questions provide an opportunity to learn directly from members of the minority business community in Georgia (in this pilot case, metropolitan Atlanta).

This project is a continuation of research begun in 1995 focusing on the financing issues of minority business owners. This research was later updated in 1998 to include various non-traditional methods of financing available to minority entrepreneurs. The findings detailed in this report continue the accumulation of information; this will hopefully result in more focused services that will aid in the continued growth prosperity of these businesses in years to come.

Methodology

The Georgia Minority Business Owner Survey was designed to profile the opinions and needs of the minority business community. This survey was necessary due to the lack of current, usable information about minority businesses in Georgia. It was decided that the metropolitan Atlanta area would be used as a pilot to test the survey's design, while maintaining the goal of implementing a statewide version of the survey. This region was desirable due to the existence of a comprehensive listing of 7,382 businesses owned by racial and ethnic minorities available from Dun and Bradstreet. These minority businesses were sent postcards via U.S. mail directing them to an extensive online survey. In addition to these potential respondents, the researchers also had access to email addresses for minority clients of the Georgia Small Business Development Center. SBDC clients from the Metro Atlanta region were invited to participate in the survey during a period of six months in 2006 (January through June). A total of 319 clients were sent emails detailing the purpose of the survey and directing them to the website. The Atlanta Urban League was also responsible for driving minority response by promulgating the survey and directing business owners to the survey site. The survey generated 302 usable surveys (i.e., the respondents could claim minority status), which exceeded the initial goal of 300 responses. The limited amount of resources available for this project necessitated the use of these easily obtainable sources in the creation of a non-random convenience sample, or a sample of population units based on easy accessibility.

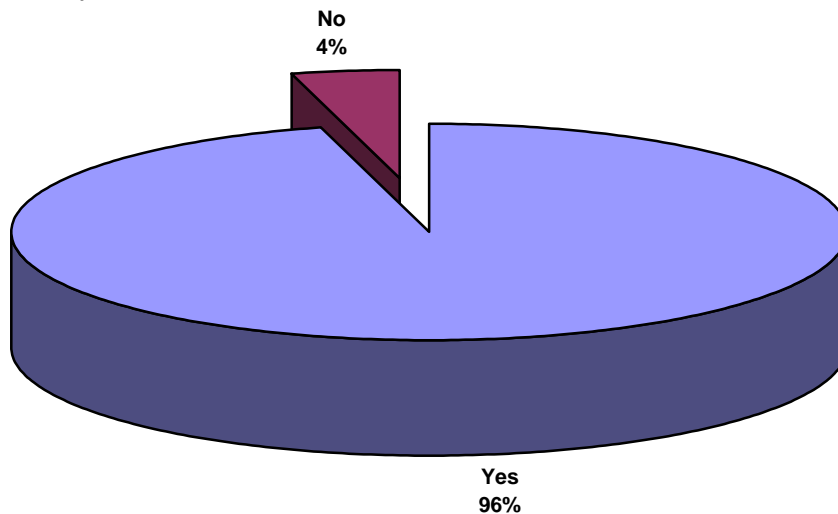
Design of the survey instrument was completed after a review of previous, similar studies in other areas (or those that were not specifically for minority businesses). After obtaining valuable input from the Atlanta Urban League and its partners regarding specific issues about which more information is desired, the determination was made that the findings of this research would greatly enhance further deployment of technical assistance strategies throughout metropolitan Atlanta.

Findings

In order to determine minority status of the small business owners participating in the survey, the first question probed for percentage of minority ownership in respondents' businesses. Specifically, the question determines if the respondent is the owner of a business that is at least fifty-one percent owned by a person (or people) that are African-American, Asian, Hispanic, Native Hawaiian or Pacific Islander, or American Indian or Alaska Native descent. The results of this question can be seen in Table 1, and are graphically represented in Figure 1.

The vast majority of respondents (96 percent) indicated that they were, indeed, a minority business owner, while just 4 percent said they did not meet the standard outlined in the question. These observations resulted in a great degree of confidence in the sampling frame and allowed the researchers to move forward with a large sample of minority-owned businesses (the 96 percent).

Figure 1. Minority Business Owner?



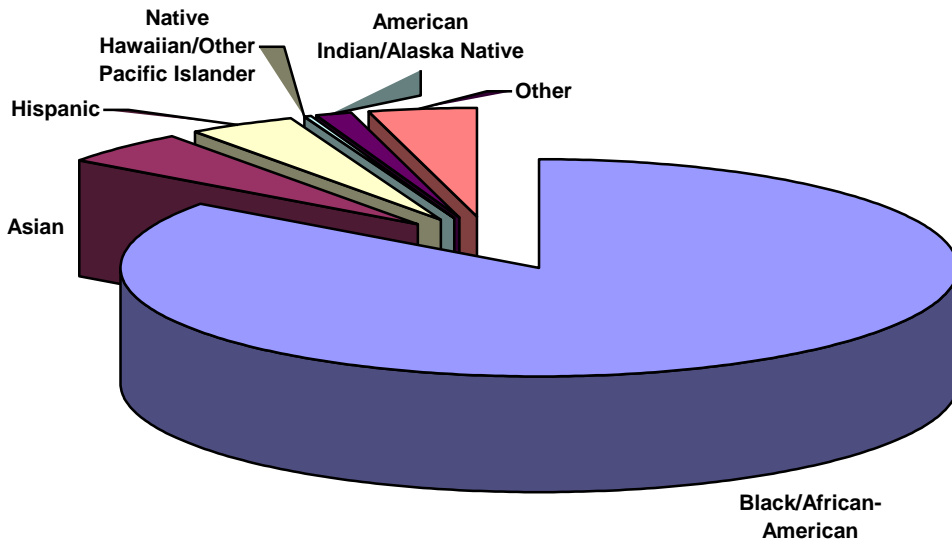
Respondents were next asked to indicate their minority status; that is, respondents were asked to place themselves in one of the following categories: Black/African-American, Asian, Hispanic, Native-Hawaiian or Other Pacific Islander, American Indian or Alaska Native, or some specified other category. Table 1 shows that over 86 percent of the respondents were African-American, by far the largest proportion of respondents. Only 5 percent of respondents classified themselves

as Asian, while 4.3 percent said they were Hispanic. Figure 2 simply provides a graphical breakdown of the race data contained within the table.

Table 1. Primary Minority Category

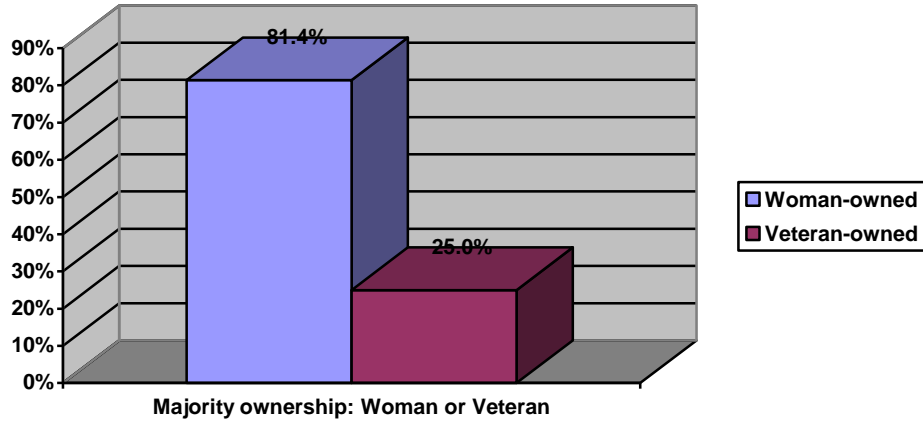
Response	Frequency	Percent (%)
Black/African-American	261	86.1
Asian	15	5.0
Hispanic	13	4.3
Native Hawaiian or Other Pacific Islander	1	0.3
American Indian or Alaska Native	4	1.3
Other	15	4.3

Figure 2. Primary Minority Category



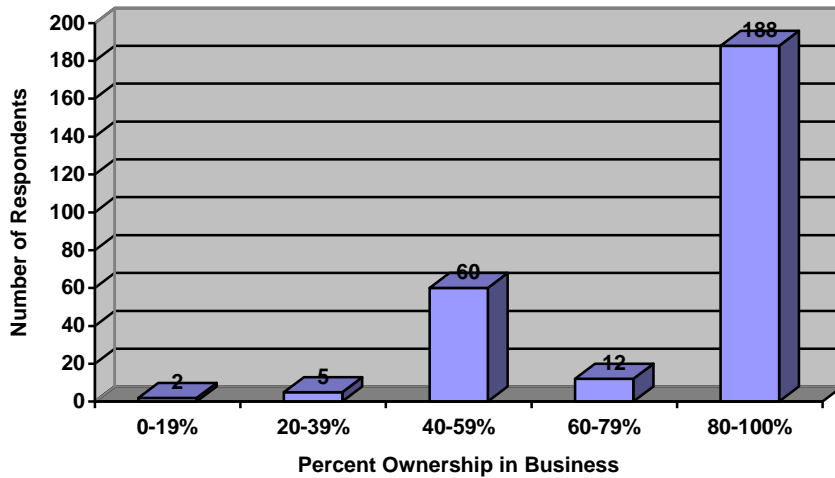
Next, survey participants were asked if their businesses could also be classified as woman-owned, veteran-owned, or both. As Figure 3 illustrates, a large proportion of the surveys participant businesses were women-owned. Over 81 percent of the respondents said the majority of their business was woman-owned, while one-quarter said that a majority stake in their business was held by a veteran. Of course, there is some overlap between the two categories, as at least some of the female owners were also veterans.

Figure 3. Majority Women/Veteran Owned?



When asked to indicate their ownership interest in the business, an overwhelming number of respondents placed their ownership stake in the 80-100 percent range. Sixty respondents indicated that their ownership interests fell within the 40-59 percent range, while 12 put their ownership in the 60-79 percent range. The vast majority of respondents, then, owned a healthy majority of their business.

Figure 4. Ownership Interest in the Business



The next survey question sought to determine how many employees—not including owners—the respondent businesses employed. Figures 5 and 6 detail the number of full-time and part-time employees claimed by these businesses, respectively. Over 37 percent of respondents claimed to have no full-time employees, while over 25 percent said they had no part-time help. The charts below illustrate that of those businesses that employed additional help, it was typically only one or two full-time or part-time people. A greater number appear to prefer full-time workers to part-time workers as higher proportions of businesses employ one or two full-time workers than one or two part-time personnel.

Figure 5. Number of Full-time Employees (excluding owners)

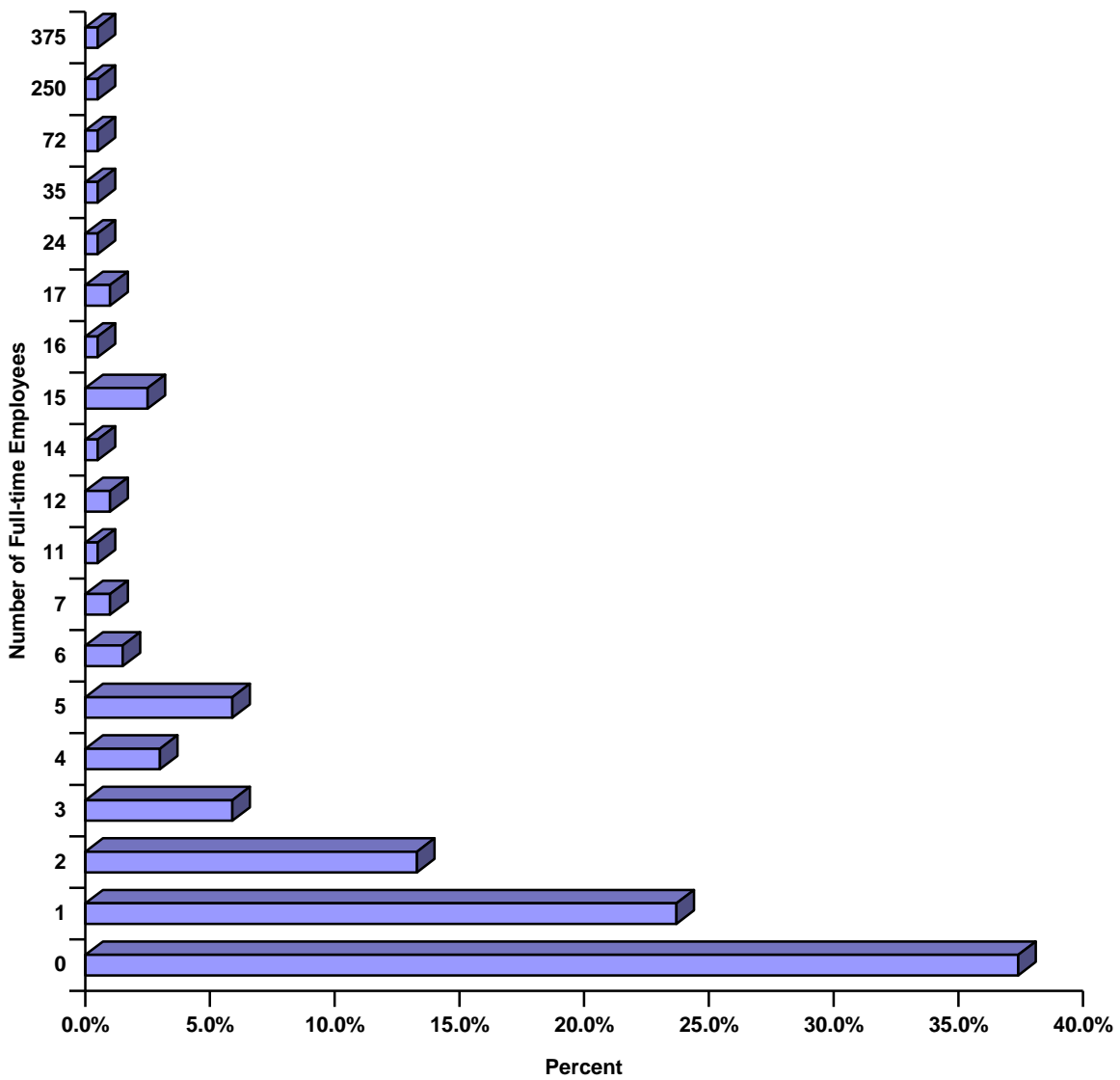
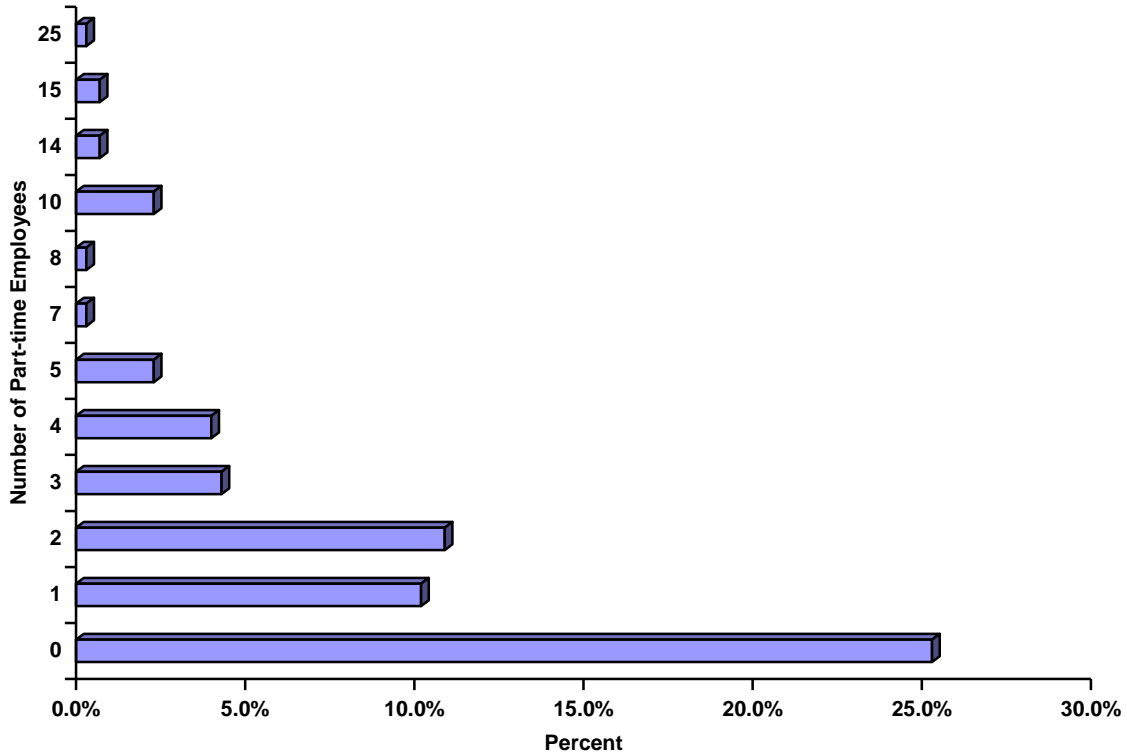
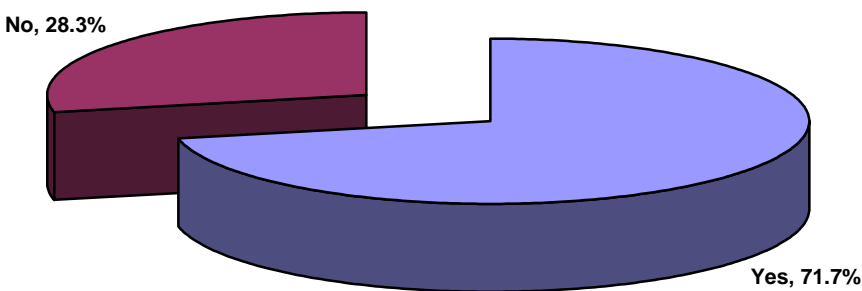


Figure 6. Number of Part-time Employees (excluding owners)



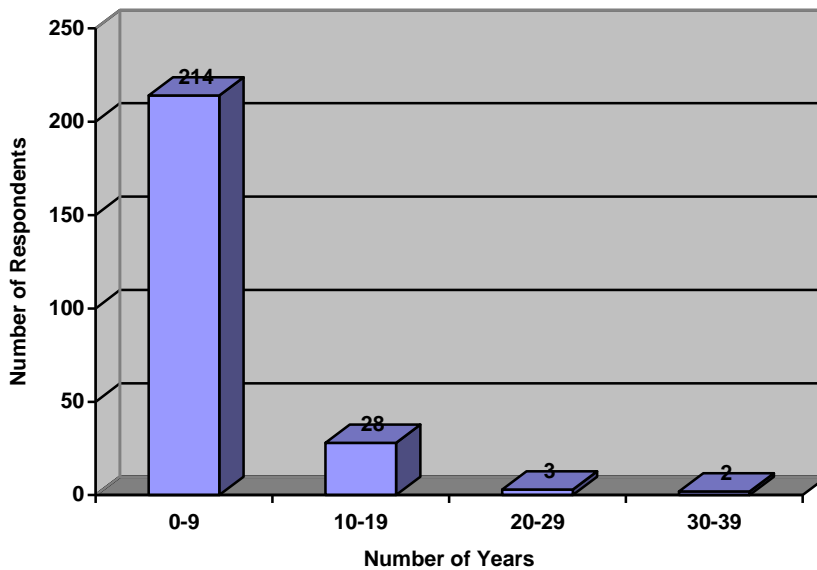
Survey participants were then asked to indicate whether or not they used independent contractors in the operation of their businesses. Figure 7 shows that nearly three-quarters of respondents said that they utilized independent contractors, while about 28 percent said they had not. Given the low number of full-time and part-time employees indicated above, it is perhaps not surprising to see that minority business owners are contracting out at least a portion of their operations.

Figure 7. Independent Contractors Used in Business Operation?



Next, respondents were asked how many years their businesses had been in operation. Figure 8 illustrates that the vast majority (86.6 percent of those responding) of the respondents said they had been in business for less than 10 years. Just over 11 percent of the respondents said they had been in business between 10 and 19 years. Negligible numbers of those who answered this question said they had been in business more than 20 years.

Figure 8. Number of Years Current Business in Operation



Respondents were then asked to indicate the industry within which their business operated by choosing one from a provided list, or specifying some “other” option. From this list of industries, those chosen by the highest percentages of respondents were “other services,” chosen by 16 percent, and “retail trade,” selected by 10.5 percent of the respondents to this question. However, the highest proportion of respondents (17.2 percent) chose to specify some “other” industry to which their businesses belonged. These specified categories included references to various consulting services, biotech, janitorial services, health and wellness, and several other industries. The full list of choices and the percentage of respondents who selected each may be viewed in Table 2.

Table 2. Respondent Industries

Industry	Frequency	Percent
Agriculture/Forestry/Mining	3	1.2
Construction	9	3.5
Manufacturing	11	4.3
Wholesale Trade	11	4.3
Retail Trade	27	10.5
Transportation and Warehousing	7	2.7
Information Services/Telecommunications	18	7.1
Finance and Insurance	10	3.9
Real Estate/Rental and Leasing	17	6.6
Professional, Scientific/Technical Services	18	7.0
Management of Companies and Enterprises	1	0.4
Administrative/Support and Waste Management	2	0.8
Educational Services	10	3.9
Health Care/Social Assistance	17	6.6
Arts, Entertainment, and Recreation	5	2.0
Accommodation and Food Services	5	2.0
Other Services	41	16.0
Public Administration/Government	0	0
Other	44	17.2
Total	256	100.0

Next, survey participants were asked to indicate which of the following best represents their business: Partnership, Corporation, Sole proprietorship, or Limited Liability Corporation (LLC). Over 44 percent of respondents to this question said that their business could be best described as a corporation. Over 29 percent said that their business was a LLC, while 22.5 percent described their business as a sole proprietorship. Only 3.9 percent of respondents described their business as a partnership. Figure 9 below shows the breakdown of the responses to this question.

Figure 9. Type of Business

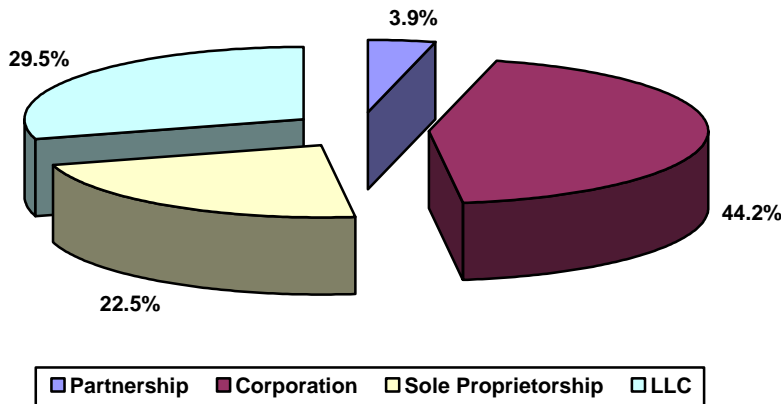


Table 3 indicates the expectations of minority business owners for the next year for various aspects of their business operations. For a set of categories, the respondents were asked to say whether they expected an increase, no change, or a decrease. With regard to employees and staff, 68 percent of the respondents said they expected an increase over the next 12 months, while 31 percent expected no change. The vast majority (95 percent) of the respondents expected an increase in the number of customers they would serve over the next 12 months. Technology spending is expected to increase over the next year for a majority of the respondents (64 percent). Perhaps due to the low numbers of employees indicated by the respondents, or maybe due to the short time-frame considered in the question, a majority (58 percent) expected no change in health care spending in the next year. This expectation may also be due to a lack of health insurance offered by these new small businesses.

Indicating a strong level of confidence in their businesses, the vast majority of respondents expect profits and revenues to increase over the next 12 months (95 and 94 percent, respectively). There were mixed results for the debt categories, and some ambiguity in the results for the category pertaining to local economic conditions, though a majority (53 percent) did expect conditions to pick up over the next year.

Table 3. Expected Business Changes Over the Next Twelve Months

Category	Percent (Responses)		
	Increase	No Change	Decrease
Employees/Staff	68.0 (173)	31.0 (79)	0.0 (1)
Number of Customers	95.0 (248)	4.0 (11)	0.0 (1)
Technology Spending	64.0 (158)	35.0 (85)	1.0 (3)
Health Insurance Spending	39.0 (98)	58.0 (145)	3.0 (7)
Profits	95.0 (242)	4.0 (10)	2.0 (4)
Revenues	94.0 (237)	5.0 (13)	1.0 (3)
Company Debt	30.0 (76)	31.0 (79)	39 (99)
Uncollected Debt	11.0 (28)	60.0 (150)	29.0 (72)
Local Economic Conditions	53.0 (133)	42.0 (104)	5.0 (12)
National Economic Conditions	45.0 (112)	46.0 (116)	9.0 (22)

Respondents were then asked to point out the primary sales or delivery area for their products or services. As shown in Table 4, many of the respondents (44.4 percent) said their primary sales area is the area surrounding the main office of the business. Nearly 43 percent of the respondents indicated that their sales or delivery area was the entire state of Georgia. Almost 32 percent said the general region was their sales or delivery area, and just under 26 percent said they sold or delivered their products or services throughout the nation. Few of the respondents (3.2 percent) said they sold or delivered products and services outside the United States, or indicated that they operated globally (6.7 percent). Those providing “other” responses indicated such market areas as local areas outside of main office area or the Internet, among others.

Table 4. Primary Sales or Delivery Area for Products or Services

Area	Frequency	Percent
The same local area as the main office of the business	112	44.4
The State of Georgia	108	42.9
In the general region	80	31.7
Throughout the nation	65	25.8
Outside the United States	8	3.2
Globally—National and International	17	6.7
Other	11	4.4

Note: Multiple responses were permitted.

Figure 10 illustrates the percentage of respondents whose gross annual sales fall within various ranges. A substantial proportion (44.4 percent) said that their gross annual sales were less than \$50,000. Sixteen percent of respondents said that their sales fell within the \$100,000 to \$299,999 range. Just over 15 percent indicated that their sales fell within the \$50,000 to \$99,999 range. As the table demonstrates, substantially fewer respondents chose the upper ranges of gross annual sales.

Figure 10. Gross Annual Sales

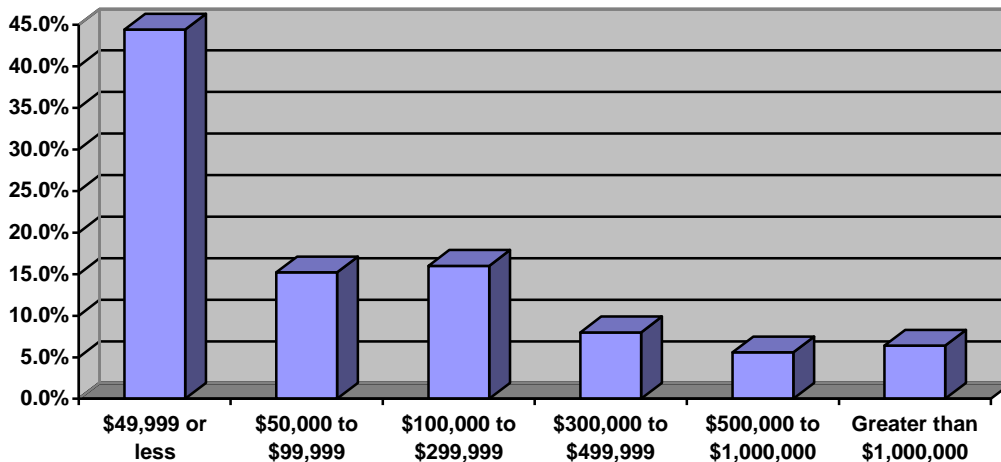


Table 5 shows how survey participants responded when asked to choose or specify the location of their main office. Over 56 percent of respondents indicated that they run their businesses from home, perhaps indicating a lack of necessary resources for purchasing or leasing property for many of the respondents. This supposition is certainly supported by the reporting of gross annual sales in Figure 10.

Over 10 percent of respondents said that their businesses are located in an office or business complex. About 9 percent claimed that their office was located in a strip mall. Almost 7 percent said they were located in a stand-alone office, while few respondents selected the remaining possible choices.

Table 5. Business Location

Setting	Frequency	Percent
Home	142	56.3
Strip Mall	23	9.1
Indoor Shopping Mall	8	3.2
Virtual Office Suite	5	2.0
Downtown	9	3.6
At or Outside of Perimeter	3	1.2
Industrial Park	8	3.2
Stand-alone Office	17	6.7
Incubator	4	1.6
Office/Business Complex	26	10.3
Other	7	2.8
Total	252	100.0

Respondents were given the chance to indicate their primary considerations for choosing their business location. The results, detailed in Figure 11, seem to support the notion that respondents simply do not have the resources to purchase or lease property strictly for business purposes. Over 74 percent of those who responded to this questions said that cost was an important consideration when determining their location (as shown in the previous table, many have chosen to operate their businesses out of their homes). Lack of resources does not completely explain why the majority of respondents operate their business from home, however. Convenience (cited by 65.6 percent of respondents) and a desire to be close to home (chosen by nearly 30 percent of respondents) have also played a role in the choice of a home office. Nearly 23 percent of minority business owners who answered this question indicated that traffic concerns were important in determining business location, while 23.3 percent said that having a location close to customers was important.

Figure 11. Important Considerations in Business Location

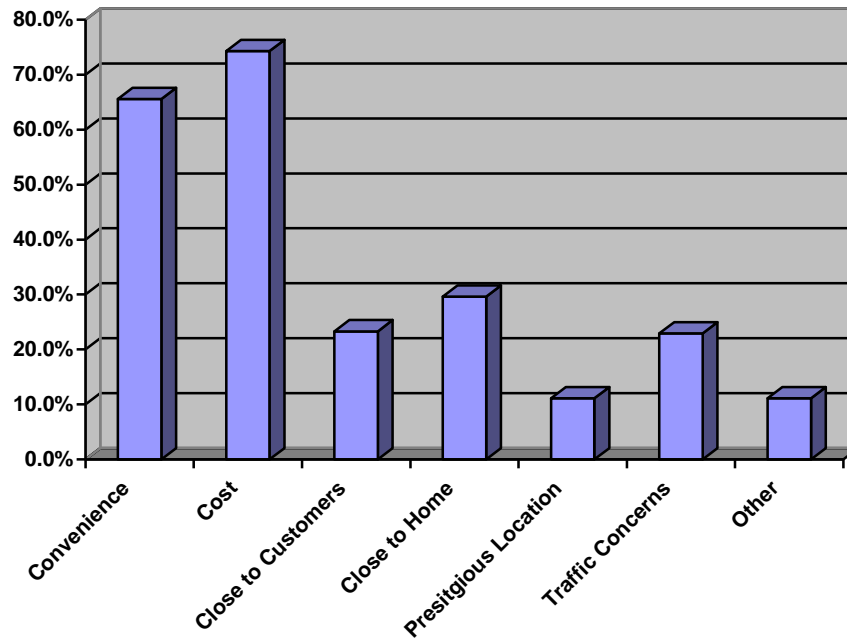


Figure 12 illustrates the widespread use of computers among minority businesses. Nearly all—98 percent—who responded to this question said that their company used computers. A follow up question, detailed in Table 6, illustrates the various uses to which computers are being applied among minority-owned businesses. Nearly all respondents (98 percent) use computers for sending and receiving business-related email. Almost all respondents (97 percent) also use computers for researching goods and services. Eighty-six percent of respondents said that they utilize computers for administrative support or functions, while 83 percent said that they purchase business products and services via the Internet, establish and/or maintain relations with customers, and manage the firm's accounts or bookkeeping. Seventy-nine percent of respondents perform online banking; 73 percent publish business and/or marketing information; and 71 percent display business products or services on the Internet. A lower proportion of respondents, 58 percent, *sell* their business products or services on the Internet. Fifty-one percent of the respondents perform inventory management on computers.

A sizable majority of respondents indicated that they did *not* utilize only two possible computer purposes of those listed on the survey. Sixty-nine percent of respondents said they did not perform employee recruitment using computers, and 64 percent said they did not apply for loans or other forms of credit online.

Figure 12. Does Company Use Computers?

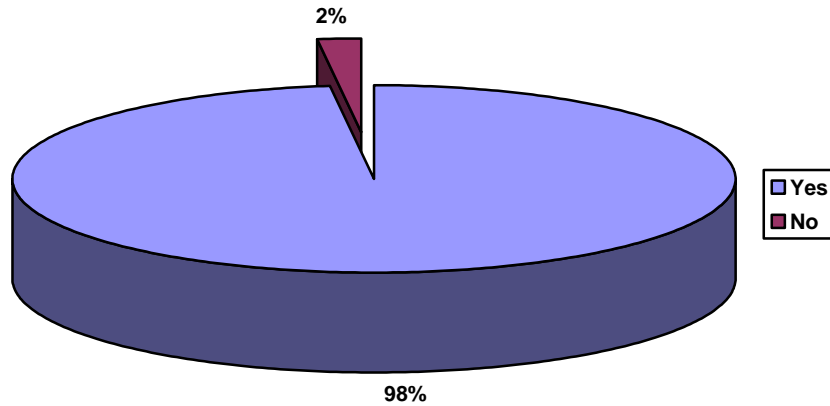


Table 6. Purposes for Using Computers in Business

Purpose	Percent (Responses)	
	Yes	No
Online Banking	79% (194)	21% (52)
Send/Receive Business Email	98% (246)	2% (4)
Research Goods and Services	97% (235)	3% (7)
Purchase Business Products/Services via the Internet	83% (201)	17% (41)
Display Business Products/Services via the Internet	71% (169)	29% (70)
Sell Business Products/Services via the Internet	58% (137)	42% (99)
Establish and/or Maintain Relations with Customers	83% (202)	17% (40)
Publish business and/or Marketing Information	73% (177)	27% (64)
Employee Recruitment	31% (71)	69% (158)
Apply for Loans or Other Forms of Credit Online	36% (82)	64% (145)
Inventory Management	51% (117)	49% (111)
Administrative Support or Functions	86% (209)	14% (33)
Manage the Firms Accounts, Bookkeeping	83% (195)	17% (40)

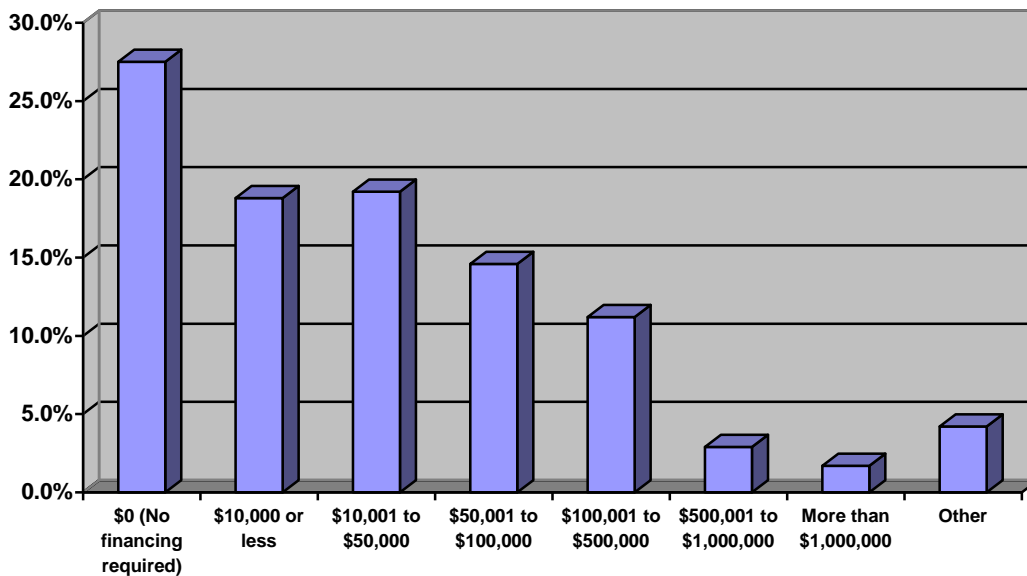
Those respondents who said that they did not sell their products or services online were next asked to indicate why they chose not to do so. As Table 7 shows, nearly 29 percent of those who do not sell their products or services online said that their products or services are not easily sold over the Internet. Thirteen percent of respondents to this question did not consider Internet sales necessary; nearly 12 percent said that their company infrastructure was not ready, while the same percentage indicated that they lacked the expertise to set up such a sales mechanism. Nearly 11 percent said that setting up online sales would be too costly.

Table 7. Reasons for Not Selling Products or Services Online

Reason	Frequency	Percent
Product or service is not easily sold over the Internet	51	28.8
We do not want to sell products and services in that manner	4	2.3
Not necessary to sell products and services in that manner	23	13.0
Company infrastructure is not ready	21	11.9
Too much competition	2	1.1
Market is too small	1	0.6
Not currently a high priority for business	10	5.6
Lack of expertise in setting up	21	11.9
Too costly to set up	19	10.7
Other	25	14.1
Total	177	100.0

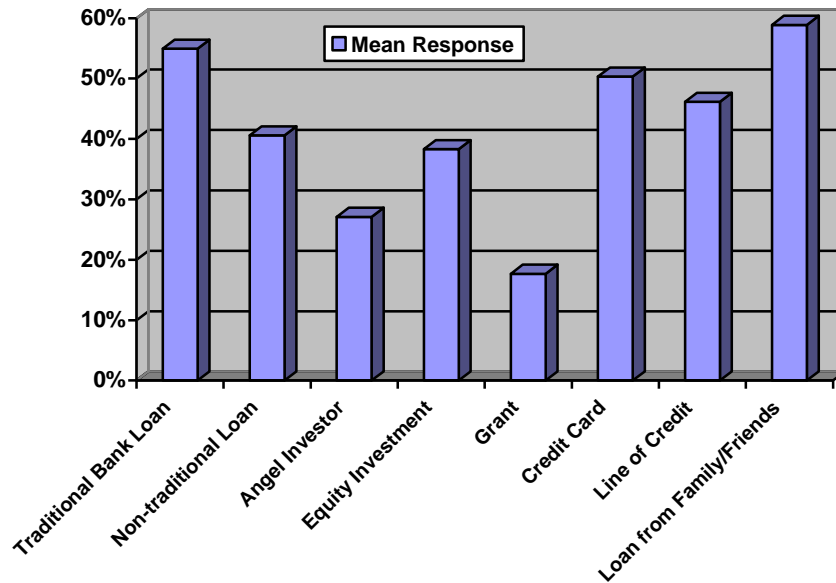
Next, survey participants were asked to indicate their combined amount of financing over the last five years. As Figure 13 illustrates, over 27 percent of respondents said they required no financing during this time period. Over 19 percent said that their combined financing during this time was between \$10,001 and \$50,000; a slightly smaller percentage said that their financing during this period was less than \$10,000. Almost 15 percent indicated that they had financed between \$50,001 and \$100,000, while over 11 percent had financed between \$100,001 and \$500,000. Less than 3 percent of the respondents said that their combined financing during this five-year period was between \$500,001 and \$1,000,000.

Figure 13. Total Amount of Financing Over Last Five Years



Next, participants who said they had received financing over the last five years were asked to describe the sources of that financing. Respondents were asked to indicate the percentage a particular source had contributed to the total amount of financing. Figure 14 shows an average of 59 percent of respondents financing came from loans from family or friends. An average of 55 percent of financing was through traditional bank loans. The source of over half of respondent financing over the last five years was credit cards; over 46 percent of the total amount of financing came from lines of credit. Equity investments accounted for over 38 percent of the total amount of financing.

Figure 14. Sources of Business Financing Over Last Five Years: Mean Percentage of Total



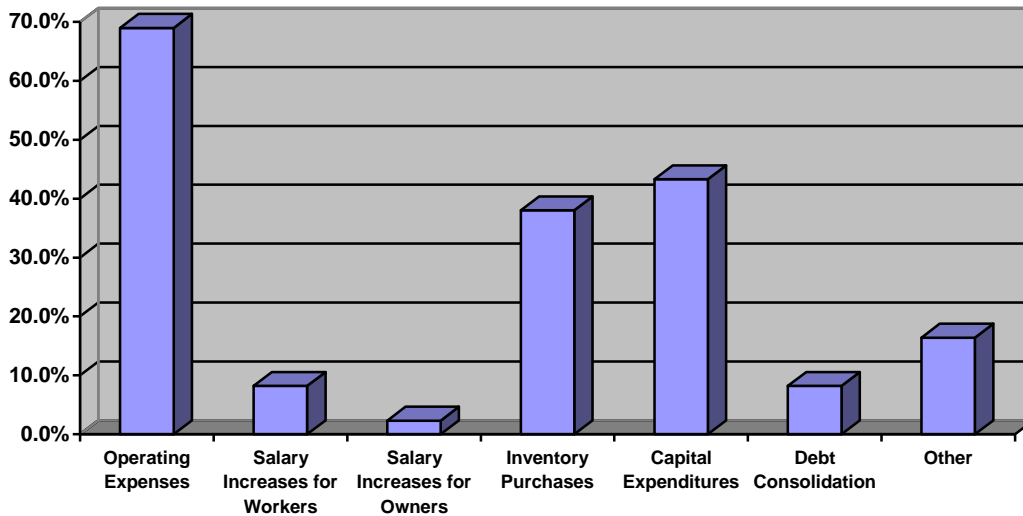
In order to gain some understanding of their financing needs, respondent businesses were asked to identify the types of financing they may have sought within the last five years, and whether or not that request had been approved. As shown in Table 8, 71 percent of the businesses who answered this question were approved for a vehicle loan. Over half of the respondents (56 percent) were approved for a loan to purchase equipment or financing for land and buildings. Respondents were not likely to obtain a loan for the following: *business acquisition*, *existing loan refinancing*, and to a lesser degree, *business start-up*.

Table 8. Respondent Approval Rate for Various Types of Business Loans

Loan Purpose	Percent (Responses)	
	Approved	NOT Approved
Vehicle Loan	71.0 (49)	20.0 (14)
Equipment Loan	56.0 (36)	27.0 (17)
Working Capital	41.0 (37)	41.0 (37)
Land and Building	56.0 (15)	30.0 (8)
Refinancing of Existing Loan	35.0 (7)	50.0 (10)
Business Start-up	28.0 (19)	44.0 (30)
Business Acquisition	11.0 (2)	56.0 (10)

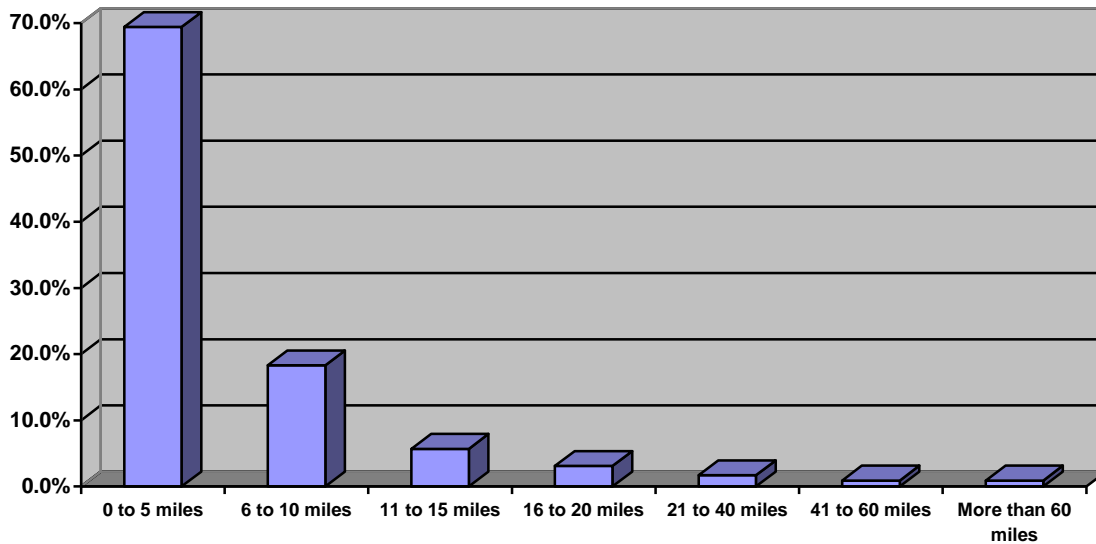
Respondents were next asked to indicate how received funds were actually used. Figure 15 illustrates that 69 percent of the respondents said that they used the financing for operating expenses. Over 43 percent of respondents indicated that the financing was put toward capital expenditures (such as buildings and equipment), while 38 percent financed their inventory purchases. Much smaller proportions of respondents cited salary increases for workers and owners, and debt consolidation as uses for funds received. Specified “other” uses for funding were startup expenses and litigation.

Figure 15. Received Funds Were Actually Used for...



Next, survey participants were asked to estimate the distance from their main office location to the most frequently used bank branch. Figure 16 shows that over 69 percent of the respondents said that their office was located within 5 miles of their favorite bank branch, while over 18 percent said the most frequently used branch was within 6 to 10 miles from their office. Almost 6 percent of the respondents said their most frequently used branch was located within 11 to 15 miles; very small percentages said their most frequently used bank branch was beyond this range.

Figure 16. Distance From Main Business Location to Most Frequently Used Bank Branch



Participants were then asked whether or not, prior to owning their current business, they had any experience in the same type of business. As depicted in Figure 17 below, a large percentage of respondents—almost 66 percent—said they did have previous experience. Over 34 percent of respondents indicated that they did not have prior experience in the same type of business.

Next, respondents were asked to indicate whether or not they had grown up in a household in which at least one of their parents was a business owner. Figure 18 illustrates that over 72 percent of those who responded said that neither parent had been a business owner, while nearly 28 percent indicated that at least one parent had owned a business. Of the 72 percent who answered in the affirmative, a large proportion said that they had worked in the business operated by a parent. Figure 19 shows that about 61 percent of respondents who had a business-owning parent worked in that business as young person. Just over 39 percent of respondents indicated that they had not worked in their parents' business.

Figure 17. Prior Experience in Same Type of Business?

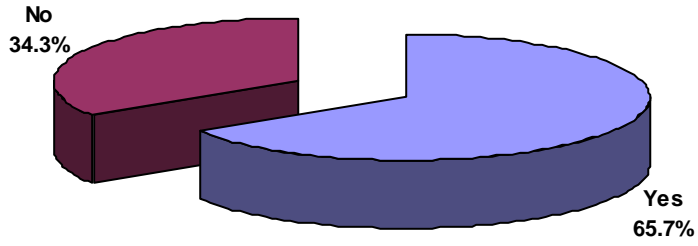


Figure 18. At Least One Parent Was a Business Owner

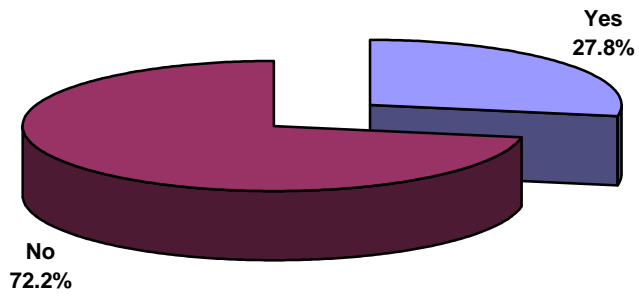
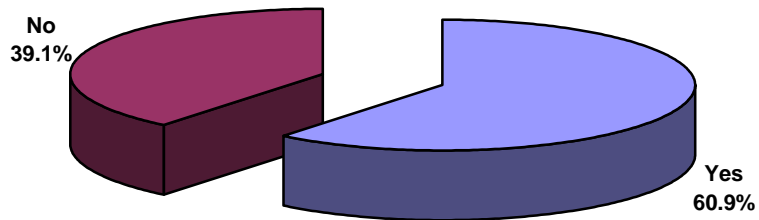


Figure 19. If a Parent was a Business Owner, Did You Work in the Business?



Respondents were then given multiple choices and asked to choose among them the single most important problem facing their businesses today. Over 27 percent of respondents said that financing or credit was their most pressing problem. Nearly 24 percent indicated that the biggest problem for their business was finding new customers. The remaining respondents' concerns were spread fairly evenly over the remaining problems listed. It may seem surprising that minority business owners are seemingly not concerned about the rising cost of health insurance. However, evidence from this survey suggests that these business owners often employ very few workers, and may not even purchase health insurance. Given these possibilities, the lack of concern over this issue is perfectly logical. It seems that minority business owners seem to focus on ensuring the survivability of their businesses in the near term, not on adding employees and associated workforce costs.

Over 10 percent chose to specify "other" problems, citing such concerns as the cost of advertising, ability to get contracts, overhead, and coming up with new products.

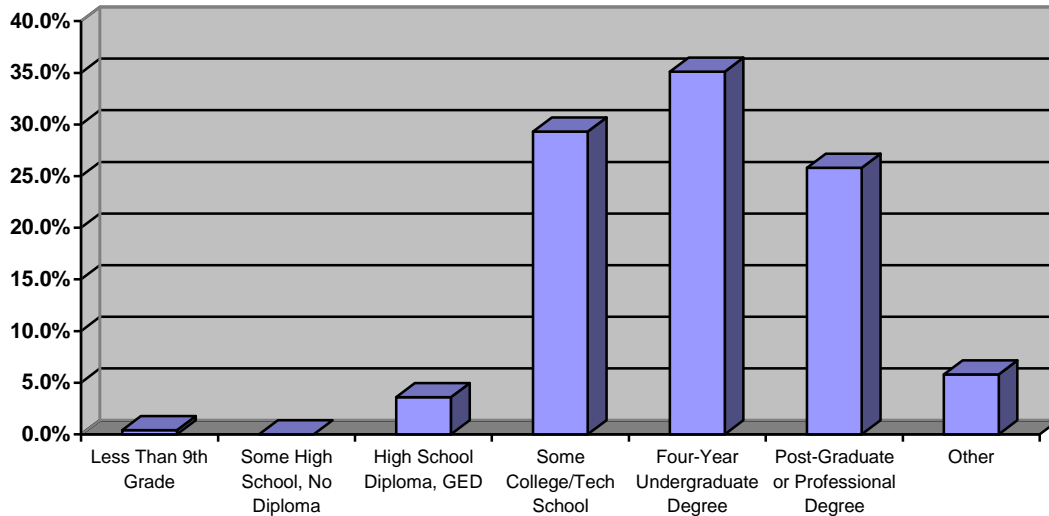
Table 9. The Single Most Important Problem Facing Your Business Today

Problem	Responses	Percent
Taxes	8	3.5
Inflation	3	1.3
Poor Sales	17	7.5
Keeping Up With Technology	1	0.4
Financing/Credit	63	27.6
Interest Rates	1	0.4
Government Regulations/Red Tape	7	3.1
Health Insurance Costs	7	3.1
Other (Non-Health) Insurance Costs	0	0.0
Competition From Larger Firms	17	7.5
Finding Qualified Employees	17	7.5
Employee Substance Use/Abuse	0	0.0
Finding New Customers	54	23.7
No Problems	10	4.4
Other	23	10.1

In an effort to obtain a more complete understanding of those minority business owners who completed the survey, the respondents were asked various demographic questions. The questions sought to determine the educational background, age, and gender of the respondents, as well as the means through which they discovered the existence of the Georgia Minority Business Owners Survey. The results are graphically depicted in Figures 20 through 24.

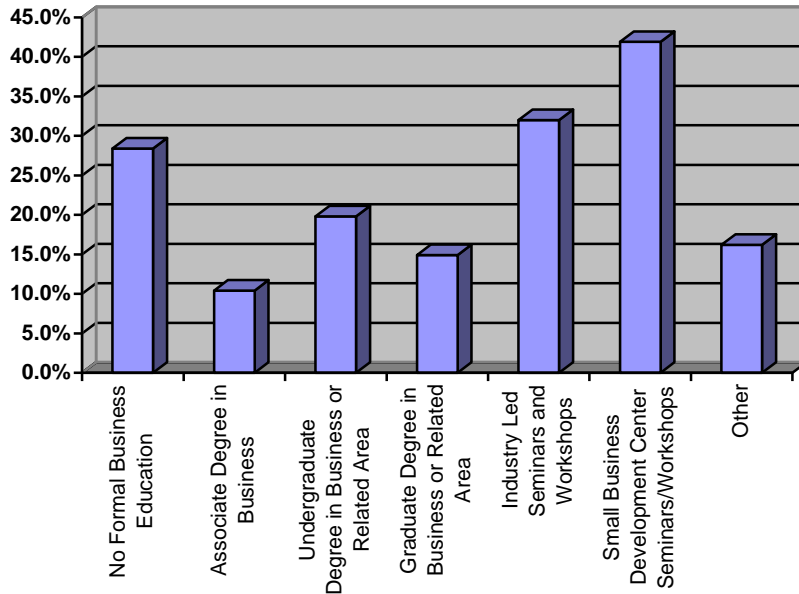
Figure 20 details the educational background of the survey participants. Over 35 percent of the minority business owners who responded had a four-year undergraduate degree (either a BA or BS), while over 29 percent had completed at least some college or technical school work. Over one-quarter of these respondents had obtained a post-graduate or professional degree. Those who chose to specify “other” responses indicated that they had obtained Ph.D.s, associate degrees, and completed various levels of graduate school.

Figure 20. Highest Grade Completed



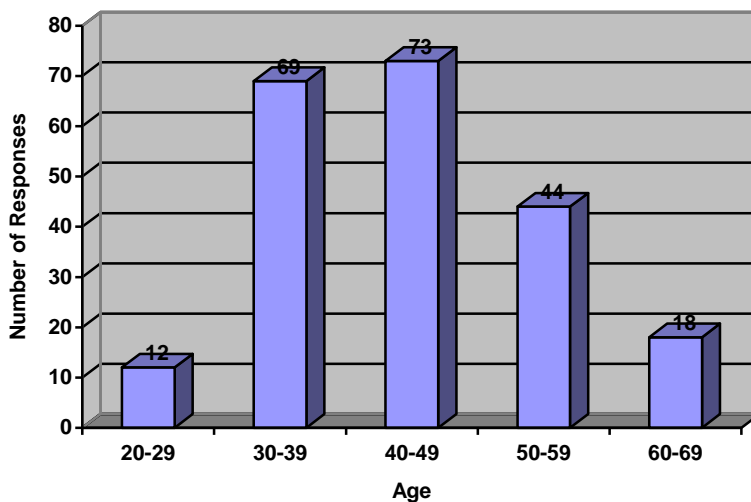
Next, the respondents were asked to indicate their formal business education. For nearly 42 percent, this training consisted of seminars and workshops offered by the Georgia Small Business Development Center; for 32 percent, industry led seminars and workshops provided business training. Over 28 percent of the respondents said they had received no formal business education. Nearly 20 percent of those who responded had obtained an undergraduate business degree, while almost 15 percent said they had a graduate business degree. Over 10 percent indicated that they had an associate degree in business. Over 16 percent of respondents cited “other” types of training and education, such as their personal business experience, certificates in business-related fields, personal research, and on-the-job training. The various responses are detailed in Figure 21.

Figure 21. Formal Business Education



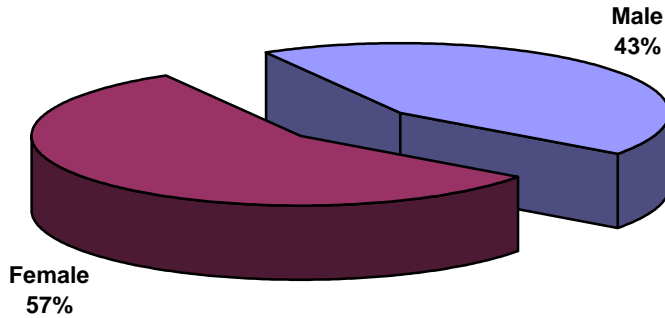
Next, respondents were asked to indicate their age by simply writing their age in a designated space. The researchers gathered this information and created a frequency distribution based on the number of responses that fell within five categories of age. The majority of respondents were between the ages of 40 and 49, while slightly fewer indicated ages provided by respondents fell between 30 and 39. Minority business owners in Georgia, it would seem, are a relatively young group. Figure 22 illustrates the breakdown of respondent ages.

Figure 22. Respondent Age



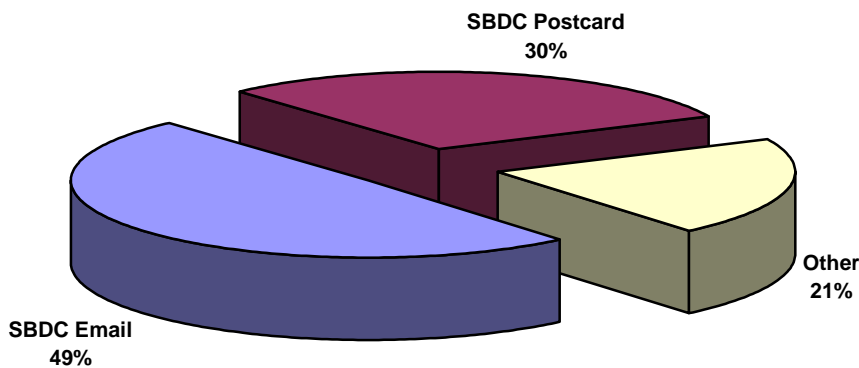
Participants were then asked to indicate their gender. Minority female business owners accounted for nearly 57 percent of the survey respondents, while just over 43 percent were male. Figure 23 illustrates the gender breakdown for respondents.

Figure 23. Respondent Gender



Finally, respondents were asked how they found out about the Georgia Minority Business Owner Survey. Nearly half of the respondents indicated that they received notice of the survey through a Georgia SBDC email. Nearly 30 percent received a Georgia SBDC postcard, and about 21 percent said they discovered the survey through other means. These “other” means included the Georgia SBDC website, word of mouth, the Atlanta Urban League, the SBA, and simply searching the Internet.

Figure 24. How Did You Find Out About the Minority Business Owner Survey?



Conclusions

The Georgia Minority Business Owners Survey was developed by the Georgia Small Business Development Center, in close collaboration with the Metropolitan Atlanta Urban League, to profile the opinions and needs of the minority business community. This survey was necessary due to the lack of current, usable information about minority-owned businesses in Georgia. While lack of resources precluded the use of more scientific sampling techniques, the findings are quite extensive and very informative. The survey addressed a variety of issues regarding minority business ownership in Georgia. Many of the businesses who chose to respond are relatively young, and the responses are not unexpected based on an average small business life cycle.

The respondents to this survey have indicated that their impact on overall employment in Georgia is low, though there is an expectation among many of the minority business owners themselves that this will change in the coming year. A large percentage of respondents do not employ full-time help, and a quarter of them do not employ part-time help. Those businesses with employees typically have only one or two, as indicated by the responses. Sixty-eight percent of respondents said they expected their number of employees to increase in the coming year. Just 31 percent indicated that they expected no change.

The vast majority of respondents are optimistic about the future. In addition to the expectation of employee increases, minority business respondents also indicate that they expect their customer base to increase in size as well. Ninety-five percent of respondents said that they expected an increase in the number of customers they serve over the next 12 months. The same percentage of respondents expects an increase in profits during this same period of time. While this level of optimism is encouraging, it is tempered by the fact that the sample is comprised of those business-owners who have achieved some degree of success. Pre-venture entrepreneurs not represented in the results may have entirely different opinions and outlooks.

Based on the survey responses contained within this report, the Office of Minority Business Development and the Atlanta Urban League may wish to increase their efforts in the following areas: *improving sales for minority-owned businesses, various methods and sources of business financing, and how to grow one's business by attracting new customers*. The survey results make clear that these issues are common concerns among minority-owned businesses in metropolitan Atlanta. More comprehensive research is needed to determine if these are common problems for minority businesses throughout Georgia.

While this limited survey raises some issues of particular importance for the minority business community represented in the responses, these issues may not be generalized to statewide minority business owners. This is due to the fact that this survey was conducted using a non-random convenience sample rather than a scientific, random sample. Also, the survey only covered minority-owned businesses in the metropolitan Atlanta area, which may be very different than minority-owned businesses in other parts of state in myriad ways. Future research should focus on addressing similar issues with a statewide random sample.