



University of Nebraska at Omaha
DigitalCommons@UNO

Publications Archives, 1963-2000

Center for Public Affairs Research

10-1981

Female Operated Businesses and Rural Development

Sharon Davis

University of Nebraska at Omaha

Follow this and additional works at: <https://digitalcommons.unomaha.edu/cparpubarchives>

 Part of the [Demography, Population, and Ecology Commons](#), and the [Public Affairs Commons](#)

Recommended Citation

Davis, Sharon, "Female Operated Businesses and Rural Development" (1981). *Publications Archives, 1963-2000*. 139.
<https://digitalcommons.unomaha.edu/cparpubarchives/139>

This Report is brought to you for free and open access by the Center for Public Affairs Research at DigitalCommons@UNO. It has been accepted for inclusion in Publications Archives, 1963-2000 by an authorized administrator of DigitalCommons@UNO. For more information, please contact unodigitalcommons@unomaha.edu.



FEMALE OPERATED BUSINESSES
AND
RURAL DEVELOPMENT

By

Dr. Sharon Davis

Submitted to the Nebraska
Title V Rural Development Council



Center for Applied Urban Research
University of Nebraska at Omaha



The University of Nebraska—An Equal Opportunity/
Affirmative Action Educational Institution

October, 1980

ACKNOWLEDGEMENTS

Although the study was conducted and written by Dr. Sharon K. Davis, the report reflects the efforts of many staff members at the Center for Applied Urban Research. Mr. Jack Ruff served as a major advisor for the entire study. Dr. Armin Ludwig assisted in the conceptualization and development of the study. Mr. Michael T. Eskey was data processor for the study; Mr. Yeshen Chen assisted with data processing. Kit Diesing coded responses to the survey. Dr. Murray Frost reviewed the final report, and Marian Meier edited the final report. Typists included Diane Fick, Nancy Whittington, and Joyce Carson.

The author is indebted to all those acknowledged for their assistance. The responsibility for the views and interpretations expressed in this report, however, lies solely with the author.

TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....i

LIST OF TABLES.....iv

SECTION I

 INTRODUCTION..... 1

 The Context..... 1

 Need for the Study..... 1

 Purpose of the Study..... 2

SECTION II

 SUMMARY..... 4

 Demographic Characteristics..... 4

 Characteristics of Female Owned Businesses..... 4

 Establishing a Business..... 5

 Financial and Technical Assistance..... 5

 Lender Perceptions of Female Entrepreneurs..... 6

 Economic and Social Advantage to the Community..... 6

SECTION III

 DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS..... 7

 Age of Business Owners..... 8

 Marital Status..... 8

 Number of Children at Home Under 18..... 9

 Number of Years in the Community..... 9

 Highest Level of Education..... 9

 Total Years of Experience as a Business Owner..... 9

 Previous Experience in Business..... 9

 Parent or Guardian Owned a Business.....10

 Characteristics of Female Business Owners by Net Worth.....10

SECTION IV

 CHARACTERISTICS OF FEMALE BUSINESSES IN RURAL NEBRASKA.....12

 Type of Business.....12

 Years Responsible for Present Business.....13

 Greatest Business Problems.....13

 Discrimination.....14

 Types of Businesses Owned by Females in Rural Nebraska.....14

 Form of Organization.....14

 Management Responsibility.....16

 Business Problems of Female Business Owners.....16

 Number of Years in Present Business.....18

SECTION V

 ESTABLISHING A BUSINESS.....20

TABLE OF CONTENTS (Cont.)

Comparison of Initiation of Businesses by Females and Males.....	20
Characteristics of Initiation of Female Owned Businesses by Type of Business.....	21
Capital Investment for Initiation of Business.....	21
Comparisons of Capital Investment in Initiating Female Owned Businesses and Male Owned Businesses by Type of Business.....	22
Comparison of Capital Investment for Initiation of Businesses by Number of Years Present Businesses Owned by Females.....	24
Primary Source of Capital Investment for Establishment of Business by Amount Invested.....	24
Secondary Source of Capital Investment for Establishment of the Business by Amount Invested.....	25
Comparisons of Females and Males Regarding Primary Sources of Capital Investment for Establishment of the Businesses by Type.....	26
SECTION VI	
FINANCIAL AND TECHNICAL ASSISTANCE.....	27
Location of Bank.....	27
Female Owners Who Had Sought Financing.....	27
Business Training Seminars.....	28
Utilization of Financial and Technical Assistance by Females...29	
SECTION VII	
LENDER PERCEPTIONS OF FEMALE ENTREPRENEURS.....	31
SECTION VIII	
ECONOMIC AND SOCIAL ADVANTAGE TO THE COMMUNITY.....	33
Net Worth of Businesses in 1979.....	33
Comparison of Net Worth by Type of Business.....	33
Net Worth.....	35
Utilization of Local Businesses.....	35
The Involvement of Female Business Owners in Community Organizations.....	37
Business Owners' Plans for Expansion in the Near Future.....	39
NOTES.....	40
REFERENCES.....	41
APPENDIX A	
RESEARCH DESIGN.....	42
APPENDIX B	
SURVEY QUESTIONNAIRE.....	45

LIST OF TABLES

TABLE		PAGE
1	DEMOGRAPHIC INFORMATION.....	7
2	DEMOGRAPHIC PROFILE OF A TYPICAL ENTREPRENEUR.....	10
3	CHARACTERISTICS OF FEMALE BUSINESS OWNERS BY NET WORTH.....	11
4	COMPARISONS OF FEMALE OWNED BUSINESSES AND MALE OWNED BUSINESSES.....	12
5	TYPES OF BUSINESSES OWNED BY FEMALES IN RURAL NEBRASKA.....	15
6	FORM OF ORGANIZATION OF FEMALE OWNED BUSINESSES AND MALE OWNED BUSINESSES.....	16
7	MANAGEMENT RESPONSIBILITY.....	16
8	GREATEST BUSINESS PROBLEMS OF WOMEN BUSINESS OWNERS.....	17
9	EFFECTS OF NUMBER OF YEARS AS PRESENT OWNER OF BUSINESS.....	18
10	HOW BUSINESS WAS STARTED.....	20
11	COMPARISON OF INITIATION OF BUSINESSES BY FEMALES AND MALES.	20
12	CHARACTERISTICS OF INITIATION OF FEMALE OWNED BUSINESSES BY TYPE.....	21
13	AMOUNT OF CAPITAL INVESTED TO INITIATE BUSINESSES BY MALES AND FEMALES.....	22
14	COMPARISON OF CAPITAL INVESTED FOR FEMALE OWNED BUSINESSES AND MALE OWNED BUSINESSES BY TYPE.....	23
15	COMPARISON OF CAPITAL INVESTMENT TO INITIATE BUSINESSES AND NUMBER OF YEARS PRESENT BUSINESSES OWNED BY FEMALES.....	24
16	PRIMARY SOURCE OF CAPITAL INVESTMENT FOR ESTABLISHMENT OF THE BUSINESS BY AMOUNT INVESTED.....	25
17	SECONDARY SOURCE OF CAPITAL INVESTMENT FOR ESTABLISHMENT OF THE BUSINESS BY AMOUNT INVESTED.....	26
18	COMPARISONS OF FEMALES' AND MALES' PRIMARY SOURCES OF CAPITAL INVESTMENTS FOR ESTABLISHMENT OF THE BUSINESSES BY TYPE.....	26
19	LOCATION OF BANKING FACILITIES FOR FEMALE OWNERS AND MALE OWNERS.....	27

(LIST OF TABLES (CONT.))

TABLE		PAGE
20	FINANCING FOR FEMALE OWNED BUSINESSES.....	27
21	FEMALE OWNERS' ATTENDANCE AT BUSINESS WORKSHOPS OR SEMINARS.....	28
22	UTILIZATION OF FINANCIAL AND TECHNICAL ASSISTANCE BY FEMALES....	30
23	COMPARISON OF NET WORTH OF FEMALE OWNED BUSINESSES AND MALE OWNED BUSINESSES IN 1979.....	33
24	CHARACTERISTICS OF FEMALE OWNED BUSINESSES BY NET WORTH.....	34
25	COMPARISON OF NET WORTH OF FEMALE OWNED BUSINESSES AND MALE OWNED BUSINESSES BY TYPE OF BUSINESS.....	36
26	EMPLOYEES HIRED BY FEMALE BUSINESS OWNERS.....	37
27	UTILIZATION OF LOCAL BUSINESSES BY FEMALE BUSINESS OWNERS.....	38
28	INVOLVEMENT OF FEMALE BUSINESS OWNERS IN COMMUNITY ORGANIZATIONS	37
29	BUSINESS OWNERS' PLANS FOR EXPANSION IN THE NEAR FUTURE.....	39

SECTION I

INTRODUCTION

The Context

Today's economy demands a constant infusion of new enterprise, new ideals, and new jobs. Entrepreneurship plays a vital role in the development of the American economy, and women are rapidly being acknowledged as the next great group of entrepreneurs. Not only is the number of women entrepreneurs rising, but their operating styles are changing dramatically.¹

Until recently the percentage of all business owners who were women was small, and concern for their circumstances was nonexistent. Only two national studies that provide detailed information about these women are available.

The Department of Commerce, Bureau of the Census, published statistics in 1976 regarding the composition of women in the business system. These statistics, based on 1972 data, were reported by Secretary Juanita M. Kreps:

They showed that in 1972 only 4.6 percent of all American businesses--approximately 400,000--were owned by women. Furthermore, these businesses generated less than one-half of one percent of all revenues received by American businesses. The survey also showed that most female-owned businesses were sole proprietorships, that they were highly concentrated (71 percent) in the retail and nonprofessional services trades, and that only 13 percent of them had paid employees. The typical female business entrepreneur, according to the survey, had fewer than five employees and grossed less than \$51,000--this at a time when the average American firm had annual gross receipts of more than three-quarters of a million dollars.²

In August, 1977 President Carter appointed an Interagency Task Force on Women Business Owners. The report from this Task Force indicated that women entrepreneurs had created their own businesses, had started their businesses alone, had been in the work force for several years prior to starting their own businesses, had low gross receipts, had few employees, had a wide variety of educational backgrounds, were recent and first-time entrepreneurs, were between the ages of 37 and 50, were married, and were in service industries and retail trade.³

Need for the Study

Questions remain unanswered regarding the demographic data and efforts of rural women entrepreneurs.

Rural and other non-metropolitan Nebraska communities might use more small enterprises to purvey goods and services to a population that is beginning to stabilize rather than decline. Women form a large part of the potential entrepreneurial pool in non-metropolitan parts of the state, and in increasing numbers they are organizing and/or operating (i.e., controlling) small business enterprises. In a recent study by the Center for Applied Urban Research, 41 percent of women not working but planning to work in the next three years said they wanted information on establishing their own businesses.⁴

These businesses controlled by women could, if successful, serve as sources for increased employment in these rural and non-metropolitan areas. In addition these local business ventures could become an instrument for retaining capital in the area and through their purchases of other local goods and services could help to stimulate the local economy. Moreover, women actively engaged in business enterprises could constitute a potential pool of leadership in other community development activities. At a minimum, a woman's increased financial stake in the community is likely to encourage her to remain in the community and contribute to its development.

Purpose of the Study

The purpose of this report is to describe a group of women operated businesses and rural development in the State of Nebraska. The definition of a women owned business for the study will be the same as that adopted by the Small Business Association in 1979. This definition reads: "Women-owned business means a business that is at least 51 percent owned by a woman or women who also control and operate it."⁵

The focus of the study was to determine: (1) demographic characteristics of female business owners, (2) current characteristics of female owned businesses in rural Nebraska, (3) initiation of the business, (4) financial and technical assistance requested and/or received by the business, (5) lender perceptions of female entrepreneurs, and (6) economic and social advantages accruing to the community.

The survey, conducted during March and April, 1980 involved a survey mailed to randomly selected female business owners and to male business owners who had been matched with the female. All had businesses in Nebraska towns with populations between 1,000 and 5,000. Surveys were mailed to 500 female business owners and 411 male business owners. Responses from 305

female business owners and from the comparison group of 150 male business owners were used for the study. Section II contains a brief summary of the report, and the next six sections present the data obtained from the responses to the survey questionnaire. A methodological appendix includes detailed information regarding the sampling procedures and a copy of the questionnaire.

SECTION II

SUMMARY

The findings of the study are summarized in this section of the report. The organization of the summary parallels the sections of the report: demographic characteristics of respondents, characteristics of female owned businesses, establishing a business, financial and technical assistance, lender perceptions, and economic and social advantages to the community.

Demographic Characteristics

Female business owners in rural Nebraska towns were most likely to be 45-59 years old (36 percent), and married (74 percent). They tended to have no children under 18 years at home (53 percent). Female business owners had lived in the community for more than 40 years (29 percent). They tended to be high school graduates (44 percent) or had attended some college (33 percent).

More than one-third of female business owners had no previous experience in business. The most common type of prior business experience was that of being an employee for another business. Fifty-seven percent reported having less than ten years of experience as a business owner.

Females usually did not have a parent or guardian who owned a business (59 percent). For those females who had been raised in a family owned business, the father owned the business 19 percent of the time and a mother-father combination occurred almost as frequently (18 percent).

A net worth of more than \$30,000 was reported most frequently for those female owners who owned retail businesses and had owned their businesses from six to ten years.

Characteristics of Female Owned Businesses

Approximately 51 percent of the females owned retail businesses, 46 percent owned service businesses, and 4 percent owned a variety of other types. Many women had recently become business owners with 42 percent acquiring their businesses in the past five years and 67 percent acquiring them in the past ten years. The net worth of female owned businesses was fairly low with 64 percent indicating a net worth of less than \$30,000.

A small proportion (13 percent) of the females reported feeling discriminated against in their businesses because of their sex. Their

greatest business problem was inflation followed by cash flow.

The predominant organization of female owned businesses was as a sole proprietorship (82 percent). They were established or created by the female (49 percent) and were most likely to be acquired by the female alone (55 percent). Females said their reasons for initiating their businesses were a desire to be their own boss (36 percent) and because they had a product or service to sell (35 percent). The amount of capital investment required to initiate a female owned business was less than \$15,000 for 68 percent of the women.

Establishing a Business

Following a national trend the majority of females initiated their businesses alone. Females were more likely to create a business instead of purchasing it while the majority of men purchased an already existing business. Having a product or service to sell was the most typical reason given for initiating a service oriented business while a desire to be her own boss was the primary motivation for establishing a retail business.

More than two-thirds of the businesses were initiated by women with a capital investment of less than \$15,000, but males were more likely to initiate their businesses with a higher investment. Commercial banks were most frequently reported as the primary sources for funds, and personal savings accounts were the second most frequently mentioned sources of financing for women. Males reversed these sources, citing savings first and commercial banks second.

Financial and Technical Assistance

Commercial banks (42 percent) were most frequently reported as the primary source of capital for females when establishing their businesses; personal savings were the most frequently used secondary source (86 percent).

The majority of women did their banking at the local bank (88 percent). The majority (57 percent) had not sought financing in the last five years. Of those who applied for financing, 96 percent received it.

Attendance at business training workshops or seminars was not likely to occur for those females who owned retail businesses (66 percent). Females who owned service (75 percent) or other (77 percent) types of businesses reported attending job related training sessions. In addition, females were not requesting or receiving financial or technical assistance from national and state programs designed to assist business owners.

Lender Perceptions of Female Entrepreneurs

Bankers and loan officers in all areas of the state perceived a substantial increase in the number of female owned businesses. In their opinion, females were owners of a much wide range of types of businesses than in previous years.

These individuals believed that females had no barriers because of their sex.

Economic and Social Advantage to the Community

The net worth of 36 percent of female owned businesses was less than \$10,000. Sixty-four percent of the females reported a net worth of less than \$30,000.

Female businesses made a contribution to the economy of the communities by employing individuals and by using services of other local firms. Female owned businesses were most likely to hire females on a part-time basis (60 percent).

Businesses in the community used by female business owners included the bank (50 percent) and the newspaper (29 percent) on a weekly basis. A tax consultant (35 percent), plumbers and electricians (18 percent), and legal counselors (13 percent) were employed one time per year.

Female business owners were involved in community organizations. They were most likely to be members of the Chamber of Commerce (55 percent) or a service club (14 percent). Those also were the two organizations for which they were most likely to serve as an officer, contribute their time, or contribute money.

SECTION III

DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Demographic characteristics of respondents are presented in Table 1. Information is given on the age of both male and female owners of businesses, their marital status, number of children, number of years in the community, levels of education, years of experience, previous experience, and whether or not their parents owned a business. Information is also presented correlating the demographic characteristics of female business owners by net worth.

TABLE I

DEMOGRAPHIC INFORMATION

	Females		Males	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Age of Business Owners</u>				
Under 25	12	4	5	3
25 - 34	51	17	17	12
35 - 44	77	25	33	22
45 - 59	109	36	68	46
60 or older	54	18	25	17
TOTALS	303	100	148	100
<u>Marital Status</u>				
Married	224	74	138	93
Separated, Divorced, Never Married	37	12	9	6
Widowed	42	14	2	1
TOTALS	303	100	149	100
<u>Number of Children at Home Under 18</u>				
None	163	53	72	48
One	50	16	30	20
Two	54	18	27	18
Three or more	38	12	21	14
TOTALS	305	99	150	100
<u>Number of Years in Community</u>				
1 - 10	63	21	36	24
11 - 20	49	16	32	21
21 - 30	56	19	30	20
31 - 40	45	15	17	11
Over 40	89	29	34	23
TOTALS	302	100	149	99

TABLE 1 (Cont.)

	Females		Males	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Highest Level of Education</u>				
Less than high school	32	11	6	4
High school graduate	132	44	57	38
Some college	106	35	34	23
College graduate	<u>33</u>	<u>11</u>	<u>52</u>	<u>35</u>
TOTALS	<u>303</u>	<u>101</u>	<u>149</u>	<u>100</u>
<u>Total Years as Business Owner</u>				
0 - 2	53	17	14	9
3 - 5	69	23	22	15
6 - 10	51	17	30	20
11 - 20	65	21	39	26
More than 20	<u>67</u>	<u>22</u>	<u>45</u>	<u>30</u>
TOTALS	<u>305</u>	<u>100</u>	<u>150</u>	<u>100</u>
<u>Previous Experience in Business</u>				
Owned another business	30	10	18	12
Managed another business	34	11	22	15
Employee for another business	130	44	73	49
None	<u>104</u>	<u>35</u>	<u>35</u>	<u>24</u>
TOTALS	<u>298</u>	<u>100</u>	<u>148</u>	<u>100</u>
<u>Parent Owned a Business</u>				
Yes, father	56	19	54	38
Yes, mother	12	4	4	3
Yes, both mother, father	53	18	18	13
No	<u>176</u>	<u>59</u>	<u>68</u>	<u>47</u>
TOTALS	<u>297</u>	<u>100</u>	<u>144</u>	<u>101</u>

Note: Percentages do not always equal 100 percent. This is due to rounding.

Age of Business Owners

The majority of women business owners were from age 45 to age 59. Those owners who were 35 to 40 years old comprised the second largest group. Individuals younger than 25 represented the smallest group of business owners.

Marital Status

The categorization of business owners by marital status showed that three-fourths (74 percent) of the females were married. A much smaller proportion were single (12 percent) due to separation or divorce or had never married. Those who were widows comprised 14 percent of the respondents.

Males differed greatly from the pattern shown by females. Males were more likely to be married (93 percent) and less likely to be single (6 percent) or widowers (1 percent).

Number of Children at Home Under 18

Most female business owners had no children at home (53 percent); another one-third of the owners had one or two children at home. Male business owners indicated a similar pattern regarding minors who lived at home.

Number of Years in the Community

The number of years the business owner had lived in the community is given in Table 1. Almost two-thirds (64 percent) of female business owners had lived in their respective communities for more than 20 years. Indeed, those females who had lived in the community for more than 40 years comprised the largest group (30 percent).

Analysis of the data regarding males suggested a slightly different trend. Males were more likely than females to have lived in the community for less than 20 years.

Highest Level of Education

Respondents were asked to report the highest level of formal education they had achieved. The data indicated that the greatest number were high school graduates (44 percent). Another 35 percent had attended college.

Comparison of educational levels for men demonstrated that males were three times more likely to be college graduates (males, 35 percent; females, 11 percent).

Total Years of Experience as a Business Owner

Analysis of the data indicated that female business owners were relatively new to the business world. The majority (57 percent) reported having less than 10 years of experience in business. Males indicated a marked contrast to the females. Most males (56 percent) had more than 10 years of total business experience. The single largest group of men had more than 20 years of business experience (30 percent).

Previous Experience in Business

More than one-third (35 percent) of female business owners reported having no previous experience in business. The most common type of prior business experience was that of being an employee for another business (44 percent). Experience as a manager of another business (11 percent) was indicated by a small proportion of female business owners.

In comparison, the males entered entrepreneurship with slightly more experience. Twenty-four percent reported no previous business experience.

Males were more likely to have been an employee (49 percent) or a manager of a business (15 percent).

Parent or Guardian Owned a Business

Most female respondents did not have a parent who owned a business (59 percent). Four percent of the females reported that their mothers had been business owners by themselves or with the fathers (18 percent).

Male business owners reported a somewhat different situation. The majority of the males (53 percent) did have a parent or guardian who owned a business. The mother-father combination comprised 13 percent or the second largest ownership category for males.

Table 2 provides a synopsis of the typical entrepreneur as found in rural towns across the State of Nebraska.

TABLE 2

DEMOGRAPHIC PROFILE OF A TYPICAL ENTREPRENEUR

	Females		Males	
	N	%	N	%
Age	45 - 59		45 - 59	
Marital Status	Married		Married	
Number of Children at Home	0		0	
Number of Years in Community	More than 40		1 - 10	
Highest Level of Education	High school graduate		High school graduate	
Total Years Business Experience	3 - 5		More than 20	
Previous Business Experience	Employee or Manager (55 percent)		Employee or Manager (74 percent)	
Parent or Guardian Owned Business	Majority <u>did not</u> (59 percent)		Majority <u>did</u> (53 percent)	

Characteristics of Female Business Owners by Net Worth

The comparison of net worth of female business owners by type of business yielded a marked difference. The retail businesses reported a net worth greater than \$30,000 for 55 percent of the respondents. (See Table 3.) Only 15 percent of service oriented businesses reported a net worth greater than \$30,000. Net worth for service businesses clustered in the category under \$10,000 (59 percent).

Those females who reported graduation from college as the highest level of education attained also reported a net worth of more than \$30,000 most frequently (55 percent). Although only 28 females had not completed high

school, this category had the greatest percentage (21 percent) of females whose business was reported as having a net worth of more than \$75,000.

TABLE 3
CHARACTERISTICS OF FEMALE BUSINESS OWNERS BY NET WORTH

	Under \$10,000		\$10,000- \$29,999		\$30,000- \$49,999		\$50,000- \$74,999		More Than \$75,000		Total	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Type of Business</u>												
Retail	26	18	38	27	28	20	22	16	27	19	141	100
Service	69	58	31	26	9	8	5	4	4	3	118	99
Other	3	27	5	45	2	18	1	9	-	-	11	99
	<u>98</u>	<u>36</u>	<u>74</u>	<u>27</u>	<u>33</u>	<u>12</u>	<u>28</u>	<u>10</u>	<u>31</u>	<u>11</u>	<u>270</u>	
<u>Number of Years</u>												
<u>Present Owner</u>												
<u>of Business</u>												
1 - 5	32	28	38	34	21	19	12	11	10	9	113	101
6 - 10	21	32	17	26	6	9	8	12	13	20	65	99
11 - 20	23	45	10	20	8	16	7	14	3	6	51	101
More than 20	20	56	7	19	4	11	-	-	5	14	<u>36</u>	100
											<u>265</u>	
<u>Highest Level</u>												
<u>of Education</u>												
Less than high school	9	32	7	25	4	14	2	7	6	21	28	99
High school graduate	38	34	37	33	15	14	10	9	11	10	111	100
Some college	41	41	23	23	14	14	11	11	12	12	101	101
College graduate	9	31	7	24	6	21	5	17	2	7	<u>29</u>	100
											<u>269</u>	

SECTION IV

CHARACTERISTICS OF FEMALE OWNED BUSINESSES IN RURAL NEBRASKA

Type of Business

Some of the first in depth statistics on women owned businesses date from 1972. The 402,025 women owned businesses tabulated in the Bureau of the Census 1972 Survey of Women-Owned Businesses reported that these businesses represented only 4.6 percent of all large and small United States firms. The pattern of types of businesses owned showed that 43 percent were in the service industries. The next greatest concentration, 35 percent, was retail trade.

Nebraska business owners were asked to respond to the question, "What type of business do you own?" Responses to this open ended question were then classified according to the Standard Industrial Classification Manual (1972). Two types of classifications dominated the rural Nebraska businesses--retail and services. The classifications used for this study were "retail," "service," and "other."

The 305 females and 150 males who responded to this survey tended to show some differences regarding the characteristics of their businesses. (See Table 4.) Retail businesses tended to dominate the classifications of businesses for both females and males. Further analysis of the data indicated that males were more likely than females to own a retail business (males, 63 percent; females, 50 percent); females were more likely than males to own a service oriented business (females, 46 percent; males, 30 percent).

The group classified as "other" contained enterprises such as manufacturing and transportation.

TABLE 4

COMPARISONS OF FEMALE OWNED BUSINESSES AND MALE OWNED BUSINESSES

<u>Type of Business</u>	<u>Females</u>		<u>Males</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Retail	154	50	94	63
Service	139	46	45	30
Other	12	4	11	7
TOTALS	305	100	150	100

TABLE 4 (Cont.)

	<u>Females</u>		<u>Males</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Number of Years Responsible For Present Business</u>				
1 - 5	124	42	42	28
6 - 10	75	25	34	23
11 - 20	56	19	36	24
More than 20	41	14	38	25
	<u>296</u>	<u>100</u>	<u>150</u>	<u>100</u>
<u>Greatest Business Problem</u>				
None	89	29	27	18
Inflation	73	24	49	33
Cash Flow	34	11	20	13
Customer Relations	23	8	11	7
Employee Relations	14	5	10	7
Other	72	24	33	22
	<u>305</u>	<u>101</u>	<u>150</u>	<u>99</u>
<u>Discriminated Against in Business Because of Sex</u>				
No	265	87	144	96
Yes	40	13	6	4
	<u>305</u>	<u>100</u>	<u>150</u>	<u>100</u>

Years Responsible for Present Business

Business ownership was dominated by females who acquired their businesses in the past five years (42 percent). This became more marked by examining the acquisition of businesses by females who had owned their businesses from 6-10 years (25 percent). In contrast to females, men tended to have acquired their businesses more evenly spread over a period of 20 years or longer.

This pattern appears to be consistent with information from a nation-wide study which surmised that between 1971 and 1977 the number of self employed women increased by nearly 25 percent.⁶ This was approximately three times the rate for self-employed men.

Greatest Business Problems

The problems faced by both the female and male business owners in rural Nebraska appeared to be quite similar. Inflation was reported to be the most significant problem (males, 33 percent; females, 24 percent). The second

greatest problem reported by all business owners was cash flow.

Females (29 percent) were more likely to report having no business problems than were males (18 percent). A number of speculations could be made regarding the lower rate of problems reported by females. These might include less investment in the business, fewer employees, and less net worth.

Discrimination

When asked to respond to the question, "In the business world have you been discriminated against because of your sex?", a large majority of both men and women answered that discrimination had not occurred. In those cases where discrimination because of sex did occur, 13 percent of the women but only 4 percent of the men felt discriminated against. Among those problems cited by women were customer skepticism, customer preference, and difficulties with vendors.

Types of Businesses Owned by Females in Rural Nebraska

Nebraska women followed the national trend of primarily owning businesses in the retail and service trades. Those trades accounted for 99 percent of the total female owned businesses in Nebraska. The Nebraska pattern differed from the national pattern in that in Nebraska the retail trade (50 percent) predominated, followed by services (49 percent). No more than 1 percent of the respondents owned businesses in all other industrial classifications. (See Table 5.)

The largest classification of female owned businesses was that of beauty shops. They comprised more than one-third (36 percent) of all female owned businesses. The second largest classification included ready-to-wear shops (12 percent), followed by restaurants and cafes (7 percent).

Form of Organization

As shown in Table 6, the great majority of businesses in rural Nebraska were sole proprietorships. Indeed, females (82 percent) and males (73 percent) reported this form of organization. The next most frequent form of organization for women was a partnership while for men it was incorporation.

Nebraska women differed from a national trend revealed in the 1972 study when 98 percent of female-owned businesses were sole proprietorships. Women in Nebraska indicated a substantially less frequent occurrence of this form of organization.

TABLE 5

TYPES OF BUSINESSES OWNED BY FEMALES IN RURAL NEBRASKA
(Percentages are based on total N of 305)

RETAIL			SERVICE			OTHER		
Type of Business	<u>N</u>	<u>%</u>		<u>N</u>	<u>%</u>		<u>N</u>	<u>%</u>
Ready to Wear	35	12	Beauty Shop	109	36	Printing	1	.3
Restaurant/Cafe	21	7	Hotels/Motels	6	2	Manufacturing	1	.3
Crafts/Ceramics	13	4	Business Services	6	2	Transportation	1	.3
Florist	12	4	Title/Abstract Office	5	2			
General Merchandising	10	3	Service Station	3	1			
Gifts, Novelty, Souvenir	9	3	Preschool	3	1			
Sewing, Needlework	8	3	Insurance Agent	3	1			
Lounge, Bar, Tavern	8	3	Nursing Home	2	1			
Liquor Store	6	2	Other Service	11	8			
Food Store	5	2						
Fast Food	4	1						
Other Retail	<u>131</u>	<u>8</u>						
TOTAL RETAIL	154	50	TOTAL SERVICES	148	49	TOTAL OTHER	3	.9

TABLE 6

FORM OF ORGANIZATION OF FEMALE OWNED BUSINESSES
AND MALE OWNED BUSINESSES

	<u>Females</u>		<u>Males</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Sole Proprietorship	246	82	109	73
Partnership	45	15	14	9
Incorporated	7	2	24	16
Other	1	.3	1	1
TOTALS	299	99.3	148	99

Management Responsibility

Recognizing that some individuals own a business but do not assume management responsibility for the business, the survey attempted to determine the degree of responsibility business owners assumed.

Respondents were asked to categorize their positions within the management of the business. Responders chose between "sole manager," "primary manager," "minimal management," and "no management." For reporting purposes the latter two choices were collapsed into one group. As shown in Table 7 differences occurred between the management responsibility of owners. Over 83 percent of both females and males were solely responsible for management of the business.

TABLE 7

MANAGEMENT RESPONSIBILITY

	<u>Sole Manager</u>		<u>Primary Manager</u>		<u>Minimal or no Management</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Sex of Respondent</u>								
Female	251	83	38	13	13	4	302	100
Male	123	83	20	14	5	3	148	100

Business Problems of Female Business Owners

The single most often reported problem for female business owners was

TABLE 8
GREATEST BUSINESS PROBLEMS OF WOMEN BUSINESS OWNERS

	<u>None</u>		<u>Inflation</u>		<u>Cash Flow</u>		<u>Customer Relations</u>		<u>Employee Relations</u>		<u>Other</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Business Type</u>														
Retail	35	23	44	29	22	14	9	6	5	3	39	25	154	100
Service	52	37	25	18	11	8	12	9	9	6	30	22	139	100
Other	2	17	4	33	1	8	2	17	-	-	3	25	12	100
<u>Years in Business</u>														
More than 20	15	37	7	17	1	2	2	5	2	5	14	34	41	100
11 - 20	20	36	14	25	1	2	6	11	4	7	11	20	56	101
6 - 10	21	28	20	27	10	13	9	12	3	4	12	16	75	100
1 - 5	29	23	32	26	20	16	5	4	4	3	34	27	124	99
<u>Net Worth</u>														
Less than \$10,000	32	33	16	16	9	9	9	9	4	4	28	29	98	100
\$10,000 - \$29,000	15	20	22	30	8	11	6	8	4	5	19	26	74	100
\$30,000 - \$49,999	9	23	13	33	3	8	2	5	2	5	10	26	39	100
\$50,000 - \$74,999	6	21	7	25	3	11	3	11	2	7	7	25	28	100
More than \$75,000	7	23	8	26	8	26	2	6	1	3	5	16	31	100

inflation. This was repeated upon examination of business problems by type of business, by number of years in business, and by net worth of business. (See Table 8.)

Further analysis of the data by type of business indicated those respondents in the retail trade considered inflation their greatest problem followed by cash flow. Females in the service trades were more likely to report no problems. Those service oriented businesses that reported a problem tended to report inflation most frequently.

Similarly, the number of years in business had little effect on respondents' tendencies to be affected by inflation. Newly established businesses as well as those firmly established reported inflation to be their single greatest problem. The second greatest problem for businesses established fewer than six years was cash flow. Customer relations was the second greatest problem for those businesses established for more than ten years.

Businesses which had a net worth of less than \$10,000 were most apt to report no business problems. Those businesses with a net worth of more than \$10,000 reported their greatest problem as inflation followed by cash flow as the second greatest problem.

Other business problems included bookkeeping procedures, time management, competition, shoplifting, and buying properly.

Number of Years in Present Business

Analysis of the data indicated that in the past ten years women had reversed the trend regarding the type of business field to enter. (See Table 9.)

TABLE 9

EFFECTS OF NUMBER OF YEARS AS PRESENT OWNER OF BUSINESS

<u>Business Type</u>	<u>Years Business Owned</u>								<u>Total</u>	
	<u>1-5</u>		<u>6-10</u>		<u>11-20</u>		<u>More Than 20</u>			
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Retail	72	48	48	32	21	14	10	7	151	101
Service	46	35	23	17	33	25	31	23	133	100
Other	6	50	4	33	2	17	-	-	12	100

During these past ten years women had been establishing businesses in the

retail trades; prior to the 1970's women tended to own service oriented businesses. A possible explanation to this phenomenon is that of the failure rate for retail businesses. Business Week magazine reported that nationally one of every two businesses failed within two years, and four out of five businesses failed within five years.⁷

SECTION V

ESTABLISHING A BUSINESS

Analysis of the data showed that the majority of the females (55 percent) initiated their businesses alone following the national trend. (See Table 10.)

TABLE 10

HOW BUSINESS WAS STARTED

	Females		Males	
	N	%	N	%
Alone	169	55	66	44
Spouse	85	28	48	32
Other Family Member	26	9	18	12
Other	25	8	18	12
TOTALS	305	100	150	100

Comparison of Initiation of Businesses by Females and Males

Responses regarding how owners had acquired their businesses were solicited in the following categories: "owner established," "purchased from non-family," "purchased from family," or "other." Results appear in Table 11.

Almost one-half (49 percent) of the women created their businesses rather than purchasing previously established businesses (42 percent), or acquiring them in some other manner (9 percent). Of the 27 females classified in the "other" category, ten of these had inherited the businesses from their spouses. The majority of men purchased an already existing business (69 percent). They were usually purchased from a non-family person rather than from a family member.

TABLE 11

COMPARISON OF INITIATION OF BUSINESSES BY FEMALES AND MALES

	Females		Males	
	N	%	N	%
<u>How Initiated</u>				
Established business	149	49	38	25
Purchased from non-family member	112	37	89	59
Purchased from family member	17	6	15	10
Other	27	9	8	5
TOTALS	305	101	150	99

Characteristics of Initiation of Female Owned Businesses by Type of Business

As has been previously mentioned, females were more likely to create (49 percent) a business instead of purchasing it (42 percent) or using other approaches to acquisition. Within this framework, service oriented businesses were more likely to be purchased. Women purchased retail businesses from a family member rather than from a non-family member.

Similarly, the service oriented businesses for women were initiated alone (59 percent). Retail businesses were started either with the spouse or with another family member.

Having a product or a service to sell was the most typical reason given for initiating a service oriented business. Women who owned retail businesses did so for a variety of reasons. These included a desire to be her own boss, a desire to make money, or being forced to assume responsibility for the business. These results are depicted in Table 12.

TABLE 12
CHARACTERISTICS OF INITIATION OF FEMALE OWNED BUSINESSES BY TYPE

	Retail		Service		Other		Total	
	N	%	N	%	N	%	N	%
<u>Acquisition</u>								
Established	55	37	88	59	6	4	149	100
Purchased from non-family member	70	63	37	33	5	4	112	100
Purchased from family member	14	82	3	18	-	-	17	100
Other	15	56	11	41	1	4	27	100
<u>Person Involved in Acquisition</u>								
Alone	60	36	99	59	10	6	169	100
Spouse	62	73	21	25	2	2	85	100
Other family member	18	69	8	31	-	-	26	100
Other	14	56	11	44	-	-	25	100
<u>Reason for Initiation of Business</u>								
Product/service to sell	34	33	63	61	7	7	104	101
Desire to be own boss	58	54	47	44	2	2	107	100
Make money	25	68	12	33	-	-	37	101
Forced to assume business	7	58	2	17	3	25	12	100
Other	25	69	11	31	-	-	36	100

Capital Investment for Initiation of Business

Previous studies have indicated that women owned businesses were clustered

in those industries that required low capitalization. Historically, these industries also tended to show a lower return on the investment.

The Nebraska survey asked business owners, "Approximately how much financing and/or capital did you invest?" Regarding the initial investment for acquiring the presently owned business, the data indicated that more than two-thirds of the female owned businesses (68 percent) were initiated with a capital investment of less than \$15,000. Only 42 percent of the male businesses were initiated with a capital investment of less than \$15,000. (See Table 13.)

Males (23 percent) were more likely to initiate a business requiring \$50,000 or more capital investment than were females (6 percent).

These findings raised several questions regarding females who entered a business venture. Questions regarding previous education and training, prior management or business experience, and willingness to accept risks remain to be answered.

TABLE 13
AMOUNT OF CAPITAL INVESTED TO INITIATE BUSINESSES BY MALES AND FEMALES

	Females		Males	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Amount of Capital Investment</u>				
\$4,999 or less	122	44	34	24
\$5,000 - \$14,999	68	24	24	17
\$15,000 - \$24,999	37	13	19	14
\$25,000 - \$49,999	35	13	30	22
\$50,000 or more	18	6	32	23
TOTALS	280	100	139	100

Comparisons of Capital Investment in Initiating Female Owned Businesses and Male Owned Businesses by Type of Business

In establishing retail businesses males required a greater capital investment than did females. One-half of all males (50 percent) required \$25,000 or more; only 30 percent of the women required this much. The majority of the females (51 percent) required \$15,000 or less to establish retail businesses. (See Table 14.)

A similar pattern emerged when service businesses were established. While 28 percent of the men required \$25,000 or more to initiate a service oriented business, only 6 percent of the women required this amount. Women clustered in

TABLE 14

COMPARISON OF CAPITAL INVESTED FOR FEMALE OWNED
BUSINESSES AND MALE OWNED BUSINESSES BY TYPE

	Less Than \$4,999		\$ 5,000- \$14,999		\$15,000- \$24,999		\$25,000- \$49,999		More than \$50,000		Total	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Retail</u>												
Female	33	23	40	28	26	18	27	19	15	11	141	99
Male	15	16	15	16	16	17	23	24	24	26	93	99
<u>Service</u>												
Female	86	67	26	20	9	7	5	4	3	2	129	100
Male	17	49	7	19	3	8	5	14	5	14	37	101
<u>Other</u>												
Female	4	26	2	18	2	18	3	27	-	-	11	99
Male	2	22	2	22	-	-	2	22	3	33	9	99

establishing those service oriented businesses that required less than \$4,999 with 20 percent investing from \$5,000 to \$14,999 and 67 percent less than \$4,999.

Comparison of Capital Investment for Initiation of Businesses by Number of Years Present Businesses Owned by Females

The more recently established businesses had a tendency to require a greater capital investment when compared to those that had been in existence for 20 years or more. (See Table 15.) This was also true when the recently established businesses were compared to those established for more than ten years. One-fourth of those businesses initiated since 1970 showed a tendency to have a capital investment of \$25,000 or more.

The present study is a reiteration of an established pattern that females tend to initiate those businesses that require low capital investments.

TABLE 15
COMPARISON OF CAPITAL INVESTMENT TO INITIATE BUSINESSES
AND NUMBER OF YEARS PRESENT BUSINESSES OWNED BY FEMALES

	<u>1-5</u>		<u>6-10</u>		<u>11-20</u>		<u>More Than 20</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Capital Invested</u>										
Less than \$4,999	32	27	27	23	31	26	30	25	120	101
\$5,000 - \$14,999	24	52	19	29	9	14	4	6	66	101
\$15,000 - \$24,999	20	57	8	23	6	17	1	3	35	100
\$25,000 - \$49,999	18	51	12	34	4	11	1	3	35	99
More than \$50,000	11	61	3	17	3	17	1	5	18	100

Primary Source of Capital Investment for Establishment of Business by Amount Invested

Commercial banks were most frequently reported as the primary sources of capital investment for females when establishing their businesses (42 percent). Of those females who reported commercial banks as their primary sources of capital investment, the majority (60 percent) required \$15,000 or less. The second most frequently mentioned primary source was a personal savings account (36 percent). The family (11 percent) and other sources (10 percent) were also used. The "other" category included a variety of responses, including private loans, SBA, sale of previous business, and sale of home, among others. Table 16 presents the data.

Respondents in this study deviated from the pattern described in the "Bottom Line" national survey. Nationally, two-thirds (67 percent) of the females were initially capitalized by money from their personal savings or from family; 22 percent obtained capital from commercial banks. Thus, rural Nebraska women were twice as likely to receive capital from commercial banks as women who responded to a national survey.

The highest percentage of males (37 percent) reported the primary source for establishing their businesses was personal savings followed by commercial bank loans (31 percent). Males were somewhat more likely to obtain financing from their families (15 percent) than were females (11 percent). Males consistently used their primary sources to obtain \$50,000 or more for the initial investments.

TABLE 16
PRIMARY SOURCE OF CAPITAL INVESTMENT FOR ESTABLISHMENT
OF THE BUSINESS BY AMOUNT INVESTED

	Females		Males	
	N	%	N	%
Personal	98	36	50	37
Family	31	11	21	15
Commercial Bank	115	42	42	31
Other	27	10	23	17
TOTALS	271	99	136	100

Secondary Source of Capital Investment for Establishment of the Business by Amount Invested

Approximately one-third (32 percent) of the female business owners reported use of a secondary source for capitalization in establishing their businesses. The most frequently used secondary source was personal savings (43 percent) with the second most frequently named secondary source being commercial banks (24 percent) followed by the family (20 percent). Results are depicted in Table 17.

Like females, the males reported their personal savings to be the most frequently used secondary source (40 percent). Males used commercial banks (24 percent) and other sources (24 percent) equally. Males were not as likely to use their families (11 percent) as a secondary source of capital when compared to females.

TABLE 17

SECONDARY SOURCE OF CAPITAL INVESTMENT
FOR ESTABLISHMENT OF THE BUSINESS BY AMOUNT INVESTED

	<u>Females</u>		<u>Males</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Personal	42	43	28	40
Family	20	20	8	11
Commercial Bank	24	24	17	24
Other	12	12	17	24
TOTALS	98	99	70	99

Did not use a secondary source: Female = 177; Male = 65

Comparisons of Females and Males Regarding Primary Sources of Capital Investment for Establishment of the Businesses by Type

Female entrepreneurs received their capital investments for establishing their businesses from these primary sources in order of occurrence: 1) commercial banks, 2) personal savings, 3) family, and 4) other sources. Females who established a retail business received the capital for the investments from commercial banks and personal savings. Those females who established a service oriented business were most likely to have received funds from family sources. Males, regardless of the primary source, tended to establish a retail business. (See Table 18.)

TABLE 18

COMPARISONS OF FEMALES' AND MALES' PRIMARY SOURCES
OF CAPITAL INVESTMENTS FOR ESTABLISHMENT OF THE BUSINESSES BY TYPE

	<u>Retail</u>		<u>Service</u>		<u>Others</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Personal</u>								
Female	53	51	47	45	4	4	104	100
Male	35	67	13	25	4	8	52	100
<u>Family</u>								
Female	12	36	21	64	-	-	33	100
Male	13	62	8	38	-	-	21	100
<u>Commercial Bank</u>								
Female	68	56	48	40	5	4	121	100
Male	28	62	13	29	4	9	45	100
<u>Other</u>								
Female	13	46	13	46	2	7	28	99
Male	15	63	8	33	1	4	24	100

SECTION VI

FINANCIAL AND TECHNICAL ASSISTANCE

Location of Bank

The local bank was by far the most frequently used banking facility for business owners in rural Nebraska (females, 88 percent; males, 91 percent). Banks in nearby towns were also mentioned. (See Table 19.)

TABLE 19

LOCATION OF BANKING FACILITIES FOR FEMALE OWNERS AND MALE OWNERS

<u>Location of Bank</u>	<u>Females</u>		<u>Males</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Local	269	88	134	91
Nearby town	19	6	5	3
Other	17	6	9	6
TOTALS	305	100	148	100

Female Owners Who Had Sought Financing

The majority of female business owners (57 percent) had not sought financing in the last five years. The retail businesses (56 percent) applied for loans more frequently than service businesses (29 percent). Retail and service businesses requested loans most frequently to start a business. Retail businesses were more likely than service businesses to apply for loans because of a need for cash flow (retail, 27 percent; service, 10 percent). This is summarized in Table 20.

TABLE 20

FINANCING FOR FEMALE OWNED BUSINESSES

	<u>Retail</u>		<u>Service</u>		<u>Other</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Have Applied</u>						
Yes	83	56	39	29	6	50
No	66	44	97	71	6	50
TOTALS	149	100	136	100	12	100
<u>Application Turned Down</u>						
Yes	3	4	2	5	-	-
No	77	96	38	95	6	100
TOTALS	80	100	40	100	6	100

TABLE 20 (Cont.)

	<u>Retail</u>		<u>Service</u>		<u>Other</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Purpose of Loan Application</u>						
Start	31	40	24	62	4	67
Expand	17	22	6	15	-	-
Improvement	9	12	5	13	2	33
Cash flow	<u>21</u>	<u>27</u>	<u>4</u>	<u>10</u>	<u>-</u>	<u>-</u>
TOTALS	78	101	39	100	6	100

Of the 126 females who responded to the question, "Have any financial institutions turned you down when you applied for a business loan?", only five individuals said yes. Women's applications for loans received a positive response in 96 percent of the reported cases.

Business Training Seminars

The lack of management and business skills appeared to be a continuous problem faced by women entering business. Results of the data gathered for this study indicated that attendance at business seminars was not likely to occur for females who owned retail businesses. Females in service businesses (75 percent) and other businesses (77 percent) reported they did attend business or job related training sessions. (See Table 21.)

TABLE 21

FEMALE OWNERS' ATTENDANCE AT BUSINESS WORKSHOPS OR SEMINARS

	<u>Yes</u>		<u>No</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Type of Business</u>						
Retail	52	34	101	66	153	100
Service	104	75	35	25	139	100
Other	10	77	3	23	13	100
<u>Net Worth</u>						
Less than \$10,000	69	70	29	30	98	100
\$10,000 - \$29,999	47	60	31	40	78	100
\$30,000 - \$49,999	18	46	21	54	39	100
\$50,000 - \$74,999	10	36	18	64	28	100
More than \$75,000	10	32	21	68	31	100

Those females whose net worth was less than \$30,000 were more likely to attend business related training seminars or workshops than were those females whose net worth was more than \$30,000.

Utilization of Financial and Technical Assistance by Females

Programs exist which are designed to provide assistance, knowledge, and training for business owners. This study attempted to determine the frequency of use of a variety of programs. The survey asked respondents to indicate those agencies/programs from which they had requested information and from which they had received information. Results appear in Table 22. Clearly, agencies/programs were not being used to any great extent by female business owners in rural communities. Twenty-eight females (9 percent) reported they had received assistance from the Small Business Administration; 19 females (6 percent) reported they had received assistance from their local chambers of commerce. Females rarely indicated that assistance had been requested from various agencies/programs.

TABLE 22
UTILIZATION OF FINANCIAL AND TECHNICAL ASSISTANCE BY FEMALES

	Assistance Requested				
	Loan Guarantee	Grant Assistance	Management Technical Assistance	Printed/ Prepared Information	Counseling/ Individual Information
	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>	<u>N</u>
Small Business Administration	15	1	1	8	6
Farmers Home Administration	2	-	-	-	1
Trade Association	-	-	4	4	4
Nebraska Department of Economic Development	-	-	2	1	-
Local Chamber of Commerce	-	-	1	8	5
University Affiliated Program	-	-	-	-	-
No Response	288	304	297	284	289
	Assistance Received				
Small Business Administration	15	1	2	5	5
Farmers Home Administration	-	-	-	-	1
Trade Association	-	-	5	6	2
Nebraska Department of Economic Development	-	-	2	2	-
Local Chamber of Commerce	-	-	2	11	6
University Affiliated Program	-	-	-	4	-
No Response	285	304	294	277	291

SECTION VII

LENDER PERCEPTIONS OF FEMALE ENTREPRENEURS

Interviews were conducted with Small Business Administration officials and selected bankers and loan officials throughout the State of Nebraska. The purpose of these interviews was to obtain data on the changes in numbers and characteristics of female owned businesses. In addition, information was sought regarding perceptions of barriers to female participation in small businesses. Suggestions for feasible methods to assist female operated businesses were also obtained.

All of the bankers and loan officers contacted perceived that a substantial increase in the number of female owned businesses had taken place in their respective communities. These entrepreneurs were purchasing or establishing the businesses, not inheriting them.

Another observation that bankers tended to make was that women were owners of a much wider range of businesses than previously. This had greatly altered the financial needs of many of the female owned businesses. Capital needs of women did not seem to vary from the capital needs of men. Bankers estimated that roughly 75 percent of all small businesses were under-capitalized, and that ratio did not vary between male and female owned businesses.

These individuals perceived that females in their areas had no more barriers than males in establishing and managing businesses. They believed that to be successful business owners, regardless of sex, required: 1) a product or service needed by the community, 2) good management practices, 3) knowledge of federal and state regulations, and 4) dedication to the business.

Feasible methods to assist female operated businesses most frequently suggested by lenders included the dissemination of information regarding federal regulations and helping the women gain knowledge of federal tax laws.

The initial estimates of female owned businesses were frequently less than the actual number. When asked to think about the main street merchants, individuals were often surprised at the number of female owned businesses they could enumerate.

Based on both the interviews and responses to the survey, bankers appeared to have treated business people equally in terms of credit and capital needs. Moreover, the growth of female owned and operated businesses in small towns

appeared to have taken place without regard to the sex of the proprietor.

SECTION VIII

ECONOMIC AND SOCIAL ADVANTAGE TO THE COMMUNITY

Net Worth of Businesses in 1979

The net worth of the businesses managed by those surveyed was solicited in the following five categories: 1) less than \$10,000, 2) \$10,000-\$29,999, 3) \$30,000-\$49,999, 4) \$50,000-\$74,999, and 5) more than \$75,000. Females clustered in the lower two categories; males showed an opposite trend by clustering in the upper two categories.

Slightly less than two-thirds of the females (64 percent) indicated a net worth of under \$29,999. The majority of the males (59 percent) indicated a net worth of more than \$50,000. This was consistent with the "Bottom Line" (1978) study which reported that women entrepreneurs earned about one-third the amount men did. Perhaps because of the nature of the businesses or because female owned businesses were comparatively new, the net worth of these businesses tended to be quite low. (See Table 23.)

TABLE 23
COMPARISON OF NET WORTH OF FEMALE OWNED BUSINESSES
AND MALE OWNED BUSINESSES IN 1979

	<u>Female Owned</u>		<u>Male Owned</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Net Worth in 1979</u>				
Less than \$10,000	98	36	20	15
\$10,000 - \$29,999	74	27	18	13
\$30,000 - \$49,999	39	14	18	13
\$50,000 - \$74,999	28	10	32	24
More than \$75,000	<u>31</u>	<u>11</u>	<u>48</u>	<u>35</u>
TOTALS	270	98	136	100

Comparison of Net Worth By Type of Business

Differences in the net worth of male and female owned businesses became apparent when the two were compared by types of business.

In retail businesses, 65 percent of those owned by women had a net worth of less than \$50,000, while 68 percent of those owned by men had a net worth of more than \$50,000. (See Table 24.)

TABLE 24

CHARACTERISTICS OF FEMALE OWNED BUSINESSES BY NET WORTH

	Less Than \$10,000		\$10,000- \$29,999		\$30,000- \$49,999		\$50,000- \$74,999		More Than \$75,000	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Type (N=270)</u>										
Retail	26	27	38	51	28	72	22	79	27	87
Service	69	70	31	42	9	23	5	18	4	13
Other	3	3	5	7	2	5	1	4	0	0
TOTALS	98	100	74	100	39	100	28	101	31	100
<u>Initial Investment (N=255)</u>										
Less Than \$4,999	81	84	20	30	6	16	2	8	4	14
\$5,000 - \$14,999	12	13	29	43	9	24	5	19	5	18
\$15,000 - \$24,999	-	-	14	21	11	29	4	15	3	11
\$25,000 - \$49,999	2	2	4	6	11	29	11	42	4	14
More than \$50,000	1	1	-	-	1	3	4	15	12	43
TOTALS	96	100	67	100	38	101	26	99	28	100
<u>Number of Years In Present Business (N=265)</u>										
1 - 5	32	33	38	53	21	54	12	44	10	32
6 - 10	21	22	17	24	6	15	8	30	13	42
11 - 20	23	24	10	14	8	21	7	26	3	10
More than 20	20	21	7	10	4	10	-	-	5	16
TOTALS	96	100	72	101	39	100	27	100	31	100

A similar trend occurred in the service oriented businesses. Eighty-five percent of the service oriented businesses owned by women had a net worth of less than \$30,000. A meager 8 percent of service businesses owned by females had a net worth of \$50,000 or more. Like females, males in the service category indicated that the majority of these businesses (56 percent) had a net worth of less than \$30,000. However, a substantially greater proportion of males' (31 percent) than females' service businesses had a net worth greater than \$50,000.

Net Worth

Analysis of the data indicated that in rural Nebraska towns, the net worth of more than one-third of the female owned businesses (36 percent) amounted to less than \$10,000; slightly less than two-thirds of the female owned businesses (64 percent) amounted to less than \$30,000. Only 7 percent of those businesses classified as "service" had a net worth of more than \$30,000. By contrast, 32 percent of the retail businesses reported a net worth of more than \$30,000.

The initial investment of 44 percent of the female owned businesses was less than \$5,000. Approximately one-fourth (24 percent) were begun with a capital investment between \$5,000 and \$15,000; another 25 percent were begun with a capital investment between \$15,000 and \$50,000. (See Table 25.)

Twenty-one percent of the female owned businesses that reported a net worth of less than \$10,000 had been in business for more than 20 years. This would indicate that these businesses had remained in operation over a period of years regardless of a low net worth.

Historically, women have owned those firms that have no paid employees. The "Bottom Line" (1978) study reported that 85 percent of female owned businesses had nine or fewer full-time employees; 30 percent had no full-time employees while 25 percent employed no part-time help.

As shown in Table 26, Nebraska female business owners reported having few full-time employees. Fifty percent had no full-time female employees; 85 percent had no full-time male employees. These businesses were most likely to hire part-time female employees (60 percent).

Utilization of Local Businesses

Female business owners did utilize other businesses in their communities. On a weekly basis, the bank (50 percent) and the newspaper (29 percent) were

TABLE 25

COMPARISON OF NET WORTH OF FEMALE OWNED BUSINESSES AND
MALE OWNED BUSINESSES BY TYPE OF BUSINESS

<u>Type of Business</u>	<u>Less Than</u> <u>\$10,000</u>		<u>\$10,000-</u> <u>\$29,000</u>		<u>\$30,000-</u> <u>\$49,999</u>		<u>\$50,000-</u> <u>\$74,999</u>		<u>More Than</u> <u>\$75,000</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Retail</u>												
Female	26	18	38	27	28	20	22	16	27	19	141	100
Male	2	2	13	15	13	15	24	27	26	41	88	100
Significance = .0000												
<u>Service</u>												
Female	69	58	31	26	9	8	5	4	4	3	118	100
Male	17	44	5	13	4	10	5	13	8	21	39	101
Significance = .0010												
<u>Other</u>												
Female	3	27	5	45	2	18	1	9	-	-	11	99
Male	1	11	-	-	1	11	3	33	4	44	9	99

most frequently used. The newspaper was also frequently used by others on a monthly basis (25 percent). On a yearly basis, the other business services employed by female business owners included 1) a tax consultant (35 percent), a plumber or electrician (18 percent), and legal counseling (13 percent). Other businesses were also utilized, but the frequency of their use was not specified. (Refer to Table 27.)

TABLE 26
EMPLOYEES HIRED BY FEMALE BUSINESS OWNERS

	None		One		More Than One		Total	
	N	%	N	%	N	%	N	%
	Full-time Female	145	50	77	27	66	23	288
Part-time Female	116	40	67	23	106	37	289	100
Full-time Male	219	85	22	9	17	7	258	101
Part-time Male	214	84	20	8	21	8	255	100

The Involvement of Female Business Owners in Community Organizations

In addition to providing an economic contribution to rural towns, female business owners contributed to the social structure of these towns. Female entrepreneurs reported playing active roles in their local chambers of commerce by being a member (55 percent) as well as contributing their time and money. Service clubs (14 percent) were the second most frequently mentioned type of organization in which these business owners became involved.

Five percent or less of female business owners served on the city council, the school board, development corporation, or various government boards. (See Table 28.)

TABLE 28
INVOLVEMENT OF FEMALE BUSINESS OWNERS IN COMMUNITY ORGANIZATIONS
(N = 305)

	Member		Officer		Contribute Money		Contribute Time	
	N	%	N	%	N	%	N	%
Chamber of Commerce	168	55	30	10	73	24	103	34
Development Corporation	14	5	4	1	9	3	10	3
City Council	3	1	1	-	4	1	2	1
School Board	6	2	2	1	4	1	3	1
Service Club	44	14	21	7	32	10	34	11
Religious Organization	14	5	10	3	17	6	13	4
Professional Organization	3	1	1	-	3	1	3	1
Community Improvement	1	-	-	-	1	-	1	-
Government Boards	2	1	1	-	1	-	1	-

TABLE 27

UTILIZATION OF LOCAL BUSINESSES BY FEMALE BUSINESS OWNERS
(N=305)

	<u>Weekly</u>		<u>Monthly</u>		<u>Yearly</u>		<u>Yes, Not Specified How Frequent</u>		<u>No Response</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
Newspaper	88	29	77	25	35	11	32	10	73	24	305	99
Delivery Service	58	19	11	4	1	3	13	4	222	73	305	103
Cleaning	29	10	9	3	4	1	9	3	254	83	305	100
Legal Counseling	3	1	16	5	41	13	14	5	231	76	305	100
Tax Consultant	7	2	30	10	107	35	20	7	141	46	305	100
Financial Consultant	3	1	13	4	18	6	4	1	267	88	305	100
Decorating	1	-	6	2	17	6	2	1	279	91	305	100
Plumbing/Electrician	6	2	22	7	56	18	26	9	195	64	305	100
Bank	151	50	19	6	9	3	34	11	92	30	305	100

Business Owners' Plans for Expansion in the Near Future

Results depicted in Table 29 show that approximately one-fourth (24 percent) of rural Nebraska female business owners planned to expand their businesses in the near future. Owners of retail businesses and those owners included in the "other" business classification were among those most interested in expansion. Male business owners were not so likely to indicate plans for expansion; only 16 percent answered yes while 84 percent said no, they were not planning to expand. (See Table 29.)

TABLE 29
BUSINESS OWNERS' PLANS FOR EXPANSION IN THE NEAR FUTURE

	<u>Yes</u>		<u>No</u>		<u>Total</u>	
	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>	<u>N</u>	<u>%</u>
<u>Females</u>						
Retail	49	32	102	68	151	100
Service	17	13	119	88	136	101
Other	6	50	6	50	12	100
<u>Males</u>						
Retail	14	15	78	85	92	100
Service	8	18	37	82	45	100
Other	2	18	9	82	11	100

NOTES

¹"Women Rise as Entrepreneurs," Business Week, February 25, 1980, pp. 85-87.

²Subcommittee on Minority Enterprise and General Oversight of the Committee on Small Business, "Women in Business: A Report," (Washington, D.C.: U. S. Government Printing Office, 1977).

³Interagency Task Force on Women Business Owners, "The Bottom Line: Unequal Enterprise in America," (Washington, D.C.: U. S. Government Printing Office, 1978).

⁴Murray Frost, Survey of Nebraska Women's Employment Participation, Attitudes, and Needs, (Omaha, Nebraska: Center for Applied Urban Research, University of Nebraska at Omaha, 1979), p. 45.

⁵"Women and the United States Small Business Administration" (Washington, D.C.: U. S. Government Printing Office), OPC-1, July 1979, p. 4.

⁶Interagency Task Force on Women Business Owners, op. cit., p. 29.

⁷"Women Rise as Entrepreneurs," op. cit., p. 91.

⁸United States Department of Commerce, Bureau of the Census, Population Estimates and Projections, (Washington, D.C.: U. S. Government Printing Office, 1979), Series 840, p. 25.

REFERENCES

- Frost, Murray. Survey of Nebraska Women's Employment Participation, Attitudes, and Needs. (Omaha, Nebraska: Center for Applied Urban Research, University of Omaha, 1979).
- Interagency Task Force on Women Business Owners. "The Bottom Line: Unequal Enterprise in America." (Washington, D.C.: U. S. Government Printing Office, 1978).
- Office of Management and Budget, Statistical Policy Division. Standard Industrial Classification Manual, 1972. (Washington, D.C.: U. S. Government Printing Office, 1972).
- Subcommittee on Minority Enterprise and General Oversight of the Committee on Small Business. "Women in Business: A Report." (Washington D.C.: U. S. Government Printing Office, 1977).
- "Women and the United States Small Business Administration." (Washington, D.C.: U. S. Government Printing Office, 1979).
- "Women Rise as Entrepreneurs." Business Week, February 25, 1980.
- United States Department of Commerce, Bureau of the Census. Population Estimates and Projections, Series 840. (Washington, D.C.: U. S. Government Printing Office, 1979).

APPENDIX A
RESEARCH DESIGN

RESEARCH DESIGN

Data Base

The data base for this study resulted from a mailed survey conducted during March and April of 1980. The data base consisted of survey subjects' responses to questions regarding characteristics of their businesses, financial and technical assistance requested or received, economic and social advantages to their communities, and demographic information.

A second phase of the study was that of conducting interviews with SBA officials and selected bankers and loan officials. The purpose of these structured interviews was to obtain data on the changes in the number of characteristics of female owned businesses, officials' perceptions of barriers to female participation in small businesses, and suggestions of feasible methods to assist female operated businesses.

Selection of Respondents

The target population to be surveyed included business owners in rural or nonmetropolitan areas.

Selection of a sample of respondents requires knowledge of the population size of a group. Unfortunately, no directory of female owned business was deemed complete. Consequently, the identification of potential respondents was accomplished through an informant procedure. All 88 cities in Nebraska with a population between 1,000 and 5,000 were considered.⁸ Requests for a listing of female owned businesses and male owned businesses were sent to a city representative. The representative contacted was either the city clerk, president of the chamber of commerce, or president of a city development corporation. Responses to this request were received from 72 cities (82 percent).

The 782 female owned businesses listed were classified and coded in accordance with the Standard Industrial Classification Manual (1972). Male owned businesses were coded in an identical manner. City telephone directories were used to match female owned businesses with a comparable male owned business within the same city. In those few instances when no comparable male business existed, a male business was randomly selected from a neighboring city included in the original city sample.

Using a random table of numbers, a sample of 500 of the 782 female businesses was selected for the study. The corresponding male businesses were then selected. The matched males served as the control group. Because

fewer males owned barber/beauty shops (males, 97; females, 183) a deficit remained. Therefore the total male sample numbered 414.

The Survey Instrument and Procedure

The survey instrument was designed to be comparable to previous national surveys of female entrepreneurs. The instrument was pre-tested prior to its administration. The survey instrument was mailed to all individuals in the sample. Replies were received from 305 females and 155 males. The instrument employed for conducting personal interviews with selected loan officers and bankers consisted of open-ended questions. The interviews were conducted by the project coordinator and a senior staff member at the Center for Applied Urban Research. Interviews were conducted in various towns listed in the selected sample.

Analysis of Data

Responses to the survey were coded for computer processing and analysis. The data were arrayed; the frequency distributions of each variable were constructed. The main technique utilized in reporting the results was that of percentage tables.

Results of the study were based upon a sample made up of business owners from rural or nonmetropolitan cities ranging in population between 1,000 and 5,000. The findings were not based upon a tightly controlled experiment ranging across an entire population. The information gained from the study should be considered valid for the population in question.

APPENDIX B
SURVEY QUESTIONNAIRE

Please circle the appropriate letter or fill in the blank for each question.

1. What type of business do you own?
Examples (restaurant, car dealership, women's clothing store)

2. Mark the statement that best describes your position in this business.

- a. sole manager
- b. primary manager
- c. some management responsibility
- d. minimal management responsibility
- 3. do not take part in the management

3. In what year did you become responsible for this business? _____

4. How many hours do you spend working in this business each week?

- a. 20 or fewer
- b. 20 to 39
- c. 40 to 49
- d. 50 to 59
- e. 60 or more

5. How did you acquire ownership of this business?

- a. established the business
- b. bought the business from a non-family member.
- c. bought the business from a family member.
- d. inherited the business from spouse.
- e. inherited the business from someone other than spouse.
- f. other (specify) _____

6. Why did you become a business owner? Mark only two that apply.

- a. I had a product or a service I could sell.
- b. I wanted to be my own boss.
- c. I wanted to make money.
- d. I had to take over the business from someone else.
- e. investment purposes.
- f. no job alternatives.
- g. other (specify) _____

7. With whom did you start this business?

- a. alone
- b. with spouse
- c. with another family member
- d. with a non-family member
- e. with a combination of family and non-family members
- f. other (specify) _____

8. What form of organization does this business have?

- a. sole proprietor
- b. partnership
- c. incorporated
- d. other _____

9. From which of the following sources did you obtain financing and/or capital to become an owner of this business? Indicate the primary source, the secondary source, and/or minor source, if applicable.

	Primary Source	Secondary Source	Minor Source
a. personal savings	_____	_____	_____
b. joint savings	_____	_____	_____
c. family	_____	_____	_____
d. friends	_____	_____	_____
e. life insurance policy	_____	_____	_____
f. commercial bank loan	_____	_____	_____
g. venture capital firm	_____	_____	_____
h. other (specify)	_____	_____	_____

10. Approximately how much financing and/or capital did you invest?

- a. \$4,990 or less
- b. \$5,000 to \$14,999
- c. \$15,000 to \$24,999
- d. \$25,000 to \$49,999
- e. \$50,000 or more

11. In the past five years have you had to seek outside financial assistance?

- a. yes
- b. no (Skip to question 18.)

12. To what type of institution did you apply for a business loan?
- local bank
 - commercial bank/industrial bank
 - SBA
 - private investors
 - other (specify) _____
13. What was the purpose of the business loan application?
- start
 - expansion
 - improvement
 - relocation
 - cash flow
 - other (specify) _____

14. Have any financial institutions turned you down when you applied for a business loan?
- yes
 - no (Skip to question 16.)
15. What were the reasons given?
- lack of collateral
 - no previous business history
 - poor business credit history
 - type of business
 - inadequately prepared loan request
 - bank policy regarding small or new business owners
 - economic conditions
 - other (specify) _____

16. Have any financial institutions offered unacceptable terms when you applied for a business loan?
- yes
 - no (Skip to question 18.)
17. What were the unacceptable terms?
- interest rate too high
 - excessive collateral requirement
 - other (specify) _____

18. Approximately what was the net worth of this business in 1979?
- under \$10,000
 - \$10,000 to \$29,999
 - \$30,000 to \$49,999
 - \$50,000 to \$74,999
 - \$75,000 and over
19. Do you plan to expand this business in the next few years?
- yes
 - no (Skip to question 21.)
20. From whom will you seek financial assistance to expand your business?
- local bank
 - commercial bank/industrial bank
 - Small Business Administration loan program
 - private investors
 - other (specify) _____
21. Where do you do the majority of your banking?
- local bank
 - bank in a nearby town
 - bank in a nearby city (population over 5,000)
 - bank in a state other than Nebraska
22. How many individuals are employed in this business? Indicate how many of each.
- males _____ full-time _____ part-time
 - females _____ full-time _____ part-time
 - no employees
23. Do you plan to hire additional employees in the next two years?
- yes, _____ full-time
 - yes, _____ part-time
 - yes, _____ full-time and _____ part-time
 - no
24. How would you describe your relationship with your employees?
- very good
 - good
 - fair
 - poor
 - very poor

25. How would you describe your current relationship with your salesmen/vendors?
- a. very good
 - b. good
 - c. fair
 - d. poor
 - e. very poor

26. Have either of your parents (or guardians) ever owned a business?
- a. yes, father or male guardian only
 - b. yes, mother or female guardian only
 - c. yes, both mother and father or both guardians
 - d. no

27. How many years have you lived in this community?
- _____

28. What is your age?
- a. under 25
 - b. 25 to 34
 - c. 35 to 44
 - d. 45 to 59
 - e. 60 or older

29. What is your sex?
- a. female
 - b. male

30. In the business world have you been discriminated against because of your sex?
- a. no
 - b. yes (specify) _____
- _____
- _____

31. What is your ethnic identification?
- a. White
 - b. American Indian
 - c. Asian
 - d. Black
 - e. Hispanic

32. What is your current marital status?
- a. married
 - b. never married
 - c. separated
 - d. divorced
 - e. widowed

33. How many children under the age of 18 do you have living in your home? _____

34. What is the highest level of formal education you have achieved?
- a. less than high school
 - b. high school graduate
 - c. some college
 - d. college graduate

35. What was your major field of study in college?
- _____

36. What types of formal education have you had in business practices?
- _____
- _____

37. What training, seminars, or workshops have you attended which were business related?
- _____
- _____

38. Before becoming the owner/manager of this business, what previous experience did you have in this type of business?
- a. owned another business
 - b. managed a business for someone else
 - c. served as a junior partner with someone else
 - d. employee for a business
 - e. no previous business experience

39. How many total years of experience do you have as a business owner? _____

40. What is your greatest problem or concern in operating this business?
- _____
- _____
- _____
- _____

41. What local businesses do you utilize to operate your business? Mark how frequently.

	Weekly	Monthly	Yearly
a. newspaper advertising	_____	_____	_____
b. delivery service	_____	_____	_____
c. cleaning service	_____	_____	_____
d. legal consultant	_____	_____	_____
e. tax consultant	_____	_____	_____
f. financial consultant	_____	_____	_____
g. decorating/furnishing	_____	_____	_____
h. plumbing/electrical	_____	_____	_____
i. bank	_____	_____	_____

42. In which community organizations are you involved and to what extent?

	Member	Officer	Contribute Time	Contribute Money
chamber of commerce or commercial club	_____	_____	_____	_____
development corporation	_____	_____	_____	_____
city council	_____	_____	_____	_____
school board of education	_____	_____	_____	_____
service clubs	_____	_____	_____	_____
other (specify) _____	_____	_____	_____	_____

Listed here are agencies/programs which assist small businesses. Please answer the questions below concerning your contact with these agencies/programs. Use the letters a, b, c, etc., to answer the questions.

- a. Small Business Administration: SBA Loan Program
- b. Small Business Administration: SBA Loan Procurement
- c. Small Business Administration: SBA Training
- d. Economic Development Administration (EDA)
- e. Farmers Home Administration (FmHA)
- f. Trade Association
- g. Nebraska Department of Economic Development
- h. Nebraska Business Development Center
- i. Local Chamber of Commerce
- j. University affiliated programs

43. From the above list, indicate by letter from which agencies/programs you have requested assistance in the last five years regarding:

- _____ a. loan guarantee
- _____ b. grant assistance
- _____ c. management or technical assistance
- _____ d. printed or prepared information
- _____ e. counseling/individual information

44. From the above list, indicate by letter from which agencies/programs you have received assistance in the last five years regarding:

- _____ a. loan guarantee
- _____ b. grant assistance
- _____ c. management or technical assistance
- _____ d. printed or prepared information
- _____ e. counseling/individual information

45. What is your reaction to the responsiveness of the agencies/programs? In the space provided please list by letter all agencies which fit each category.

- _____ very satisfied
- _____ somewhat satisfied
- _____ neither satisfied nor dissatisfied
- _____ somewhat dissatisfied
- _____ very dissatisfied
- _____ did not use any agencies/programs