

Build from Within Alliance

Outcome Evaluation

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Contents

Executive summary.....	1
Profile of surveyed business owners.....	1
Owners’ views of BfWA members’ assistance	2
Profile of businesses	2
Business expansion since BfWA assistance	3
Impacts on neighborhoods.....	3
Impacts on owners’ children and families	5
Impact of COVID-19 on businesses	6
Owners’ views of BfWA members’ assistance	6
Introduction.....	7
Build from Within Alliance	7
Methodology.....	8
About this report	9
Overview of BfWA members’ performance.....	10
Profile of BfWA-assisted business owners.....	11
Financial status.....	11
Assistance received from BfWA member	11
BfWA-assisted businesses	12
Current status of BfWA-assisted businesses.....	12
Yearly gross revenue and debt.....	13
Expansion of pre-existing businesses since BfWA assistance	14
Expansion of pre-existing businesses	14
Neighborhood impacts of BfWA-assisted businesses	15
Building and property-related impacts of businesses	15
Employment impacts of businesses	15
Other contributions to neighborhood economy and quality of life.....	16
Impacts on owners’ children and families	18
Yearly household income	18
Children’s education and career experience	18
Financial security	19
COVID relief programs	20
Lessons learned during COVID.....	20
Views of BfWA members’ assistance	21
Data tables.....	22

Figures

1. Response rate	9
2. Overview of BfWA members' performance.....	10
3. Demographic profile of BfWA-assisted businesses	22
4. Business physical space	23
5. Services received from BfWA member	23
6. Financial status of BfWA-assisted owners	24
7. Financial benefits of business to owner/family	25
8. Yearly business revenue and debt.....	25
9. Yearly gross revenue and debt (continued)	26
10. Business status based on owner self-report and business registration.....	26
11. Growth of pre-existing businesses ^a since BfWA assistance.....	27
12. Building/property-related impacts of businesses ^a	29
13. Employment impacts of businesses ^a	30
14. Other contributions to neighborhood economy and quality of life.....	33
15. Children of BfWA-assisted business owners.....	36
16. Children and family-related impacts of businesses	37
17. Children's involvement in businesses.....	37
18. Impact of COVID on businesses.....	38
19. Views of BfWA members' assistance	38

Executive summary

Build from Within Alliance (BfWA) is a dynamic national intermediary and network focused on community-based, entrepreneurship-led economic development in some of America's lowest-income urban, rural and Native communities. Our mission is to reverse systemic disinvestment by building community capacity that supports resident entrepreneurs as drivers of economic and social change. BfWA 16 core members, together with local partners, provide their under-resourced neighborhood entrepreneurs with comprehensive business resources that are inaccessible or very challenging to access in these communities. BfWA believes resident-owned small businesses are a powerful force for improving the economic and social conditions of their neighborhoods. Resident owned small businesses hire from the neighborhood, fill vacant storefronts in key commercial corridors, serve as community gathering spaces, generate intergenerational wealth for their families and employees and inspire the ambition of others to pursue their own business. The work is driven by a long-term commitment to develop entrepreneurs from within these neighborhoods.

In 2023, Wilder Research conducted an outcome evaluation with six of the 16 core members of BfWA. Wilder Research conducted phone surveys with BfWA-assisted owners from August 2023 through April 2024. The 16 core members of BfWA have helped create and sustain over 2,000 businesses. The 2023-2024 Wilder Research survey reached a sample of those businesses. Wilder Research began with a list of 854 potential business owners identified by BfWA. That list was reduced to 734 businesses for whom correct contact information was available. Businesses were then contacted via telephone and in total, 159 owners participated in the survey for a response rate of 22%. Please see the Methodology section below for a more detailed explanation of the survey process.

A similar survey was conducted by Wilder Research in 2019 with BfWA businesses. At that time, 153 business owners completed surveys. In this introduction, where applicable, findings from the previous survey are compared to findings from the current survey.

Profile of surveyed business owners

Overall, BfWA's diverse clientele received multiple services, and 41% reported their income has increased as a result of their business, in median by \$8,000. The median household income was \$65,000.¹ This is a \$20,000 increase from the previous survey. Fifty-eight percent said they were at least "a little" more financially independent because of their business, including 18% who said they were "quite a bit" more independent.

¹ The median is reported for variables that have a skewed distribution, meaning there are one or two outlying responses that are significantly higher or lower and thus skew the average of the results.

Most of the surveyed entrepreneurs received a combination of services from BfWA members (62%). The most common were entrepreneur or business plan training (80%) and technical assistance or business services (48%). This is similar to the previous survey.

Owners' views of BfWA members' assistance

Seventy-six percent of surveyed business owners said their business “is as successful as it is today” largely or partly due to the assistance of the BfWA member that served them.

Profile of businesses

With BfWA assistance, 30% of surveyed owners started a new business and 68% sustained or expanded a pre-existing business.² In the current survey, businesses were most commonly home-based (58%) and 83% of respondents reported having a license for their business. About 72% of businesses were an LLC and 22% were a sole proprietorship. Businesses had been in operation a median of five years, with a range of less than one year to 40 years. According to the U.S. Bureau of Labor Statistics, 48% of private businesses in the U.S. fail within the first 5 years

Of the 44% surveyed businesses owners who operate out of a commercial space (N=67), 40% lived in the same neighborhood as their business. For all owners who responded to the question (N=151), on average, 50% of their clients were from the immediate neighborhood surrounding the business.

Of owners who had sales and reported the amount of their yearly gross revenue from their business (N=109), the median was \$32,000 and the mean was about \$105,000. This is an increase from the previous survey (\$15,000 and \$64,500, respectively). The range for this survey was \$550 to \$1,000,000. Total yearly gross revenue for all businesses was over \$11 million.

More than half of the owners who responded to questions about debt (N=146), 51% have no current business debt. Of those with debt and who could provide an amount (N=71), the median was \$17,000, with a range from \$500 to \$1 million. For these respondents, 41% have more debt than the previous year, 28% have less, and 24% have about the same amount. This is a change from the previous survey, where 25% of respondents had more

² Businesses were considered to be “pre-existing” (in contrast to “new”) if the owner said they used BfWA services to maintain or grow a current business and the business was registered with the state. As a result, some businesses that were identified as pre-existing businesses by their owners were reclassified as new businesses for the purpose of this report.

debt, 25% had less debt, and, for 50%, their debt remained the same. The total amount of debt owed by all business owners with data was \$4.7 million

Business expansion since BfWA assistance

Of 106 surveyed owners who reported they expanded or turned around a pre-existing business with BfWA support, 62% increased their annual business income after receiving BfWA assistance. Thirty-seven of these respondents answered a question related to how much their income increased and the median increase was \$10,000, with a range from \$500 to \$400,000. In total, these surveyed owners increased their business income by about \$400,000. Twenty-one percent of owners with pre-existing businesses increased their number of employees. The mean increase was three employees, and the range was one to six.

Sixteen percent of all owners with pre-existing businesses expanded their businesses to additional locations after receiving BfWA services. In total, 48 locations were added.

Impacts on neighborhoods

BfWA-assisted businesses contributed to their communities through rent, property taxes, employment/payroll, payroll taxes, business expenses, and tangible support for neighborhood activities and events.

Neighborhood impacts

Surveyed owners report spending a total of \$928,421 monthly on total business expenses, including rent and payroll. Sixty-three percent of owners reported spending at least 25% of their expenses in their neighborhood.

Twenty-four respondents reported their annual sales tax. For these owners the median annual sales tax was \$1,475 with a range of \$94 to \$34,000.

Seventy-five percent of business owners contributed time, money, or in-kind support to neighborhood events and activities in the previous year. Owners on average spent about \$4,000 annually on business contributions.

Almost all owners said they serve as role models for people in their communities (92%), and 42% said they serve as leaders in groups or organizations in their neighborhood or ethnic community.

Forty-six percent of owners said their business serves as a gathering place for their community.

Building and property-related impacts

Of the 44% of owners surveyed who operate out of a commercial space, 18% (N=12) own the space. This is a significant increase over the previous survey, where 5% of respondents owned their commercial space. Eight respondents who own their space reported paying annual property taxes and seven reported the yearly amount paid.

Forty-eight respondents who lease a commercial space reported their monthly rent. The median was \$1,450. This is an increase over the previous survey (\$560). The total combined rent paid by owners surveyed in the current survey was about \$87,500 per month, or about \$1 million annually.

Employment impacts

Twenty-nine percent (N=44) of the surveyed business owners had paid employees (not including the business owner). The median number of paid employees was three, with a range from one to 15. Sixty-three percent (N=27) of owners with employees hired neighborhood residents. In total, the businesses in the survey employed 179 people.

A little less than half (46%) of businesses with employees (N=44) had one to two employees and 32% had three to five. Twenty-nine businesses had at least one employee who worked 30 or more hours per week. According to the owners, most employees were African American or Black (58%), white (18%), or Latino or Hispanic (14%). The average wage paid to employees was \$15.25 per hour with a range of \$7.50 per hour to \$30 per hour. About half of respondents with employees paid them between \$10 and \$14.99 per hour. Fifteen percent paid \$20 per hour or more.

For the surveyed business owners who provided their monthly payroll, the median was about \$4,400, with a range of \$25 to \$40,000. Total monthly payroll for all business owners with employees was \$242,885.

Eleven owners with paid employees reported the amount of payroll taxes they pay monthly. For these owners, the median amount was \$600.

None of the owners with employees (N=44) report offering their employees health insurance, but 36% provide paid time off. This is a change from the previous survey where 3% of employers provided health insurance and 15% offered paid time off.

Impacts on owners' children and families

Sixty-eight percent of surveyed BfWA-assisted business owners said they are a parent, guardian, or primary caretaker of at least one child. The total number of children for all business owners was 272. About 48% of owners had at least one child living in their household. In total, 165 children were living with respondents.

Children's education and career experience

Fifty-two percent of respondents with children said owning a business improved their family's ability to participate in activities outside of school, and 43% reported that owning a business improved their ability to help their children be healthy.

Of the respondents who have children (N=107), 81% said their children were involved in the business by helping with it or working at the business for pay. Twenty percent of respondents said their children have already taken over their business or own their own business and 57% said their children will one day take over their business.

Financial security

Twenty-five percent of respondents with children said their family's ability to have stable housing increased as a result of business ownership, while 58% said it did not change, but was fine already.

Similarly, 28% of surveyed business owners said their ability to have transportation was improved, while most reported that change neither happened nor was needed (58%).

Health

Thirty-seven percent of respondents with children said their family's ability to afford enough nutritious food improved, and 43% said there was no change and improvement had not been needed.

Forty-three percent of respondents felt that their family's ability to help their children be healthy improved as a result of their business, while most said it remained the same and was fine already (55%).

Of the potential impacts for families listed, respondents least frequently said their family's ability to pay for health care when needed improved (15%).

Impact of COVID-19 on businesses

The COVID-19 pandemic had a significant impact on businesses worldwide. In this iteration of the survey, respondents were asked several questions about the impact of COVID-19 on their businesses. Seventeen percent of businesses said their BfWA program helped them access COVID relief programs.

Business owners made several changes to their business operations since the pandemic including starting to sell goods and services online (21%), cutting business expenses (28%), and changing the products they offer (28%).

Owners' views of BfWA members' assistance

Seventy-six percent of surveyed business owners said their business “is as successful as it is today” largely or partly due to the assistance of the BfWA member that served them.

Introduction

Build from Within Alliance

The aim of Build from Within Alliance's (BfWA) work is to help individuals and neighborhoods become economically healthy and prosperous, as well as active contributors to the development and revitalization of their own neighborhoods. As their website states (<https://www.BfWAlliance.org/our-model>): “Our approach to community impact is not driven by outsiders or public investments and subsidy but by a commitment to place and residents.” Through implementation of the model, BfWA members address economic disparities and inequities by providing access to opportunities to start and grow a business for low-income individuals and families. The model uses a culturally competent, asset-based, entrepreneurship-focused, and place-based approach. As the BfWA literature describes:

Building a neighborhood economy from within results in significant visual impact, economic impacts and ripple effects throughout the community that helps to establish lasting social and economic change. Our model addresses long existing economic disparities and inequities by providing access to opportunity for low-income individuals and families. BfWA Members aim to help individuals and neighborhoods become economically self-sufficient, as well as active contributors to the development and revitalization of their own neighborhoods. Neighborhoods can become radically improved through long-term, place-based and culturally competent support of local entrepreneurship.

At the time of data collection, BfWA consisted of 16 member organizations. The following six were included in the study:

- **Canopy Northwest Arkansas** – Northwest Arkansas: Canopy Northwest Arkansas is a refugee resettlement agency that provides an array of resettlement and support services for people with refugee status who resettle in Arkansas. They have an entrepreneurship program that is designed to “empower refugees and immigrants in Northwest Arkansas by offering tailor-made, high-quality, and low-cost training and business services to those who aspire to start their own businesses” (<https://www.canopynwa.org/what-we-do/long-welcome/entrepreneurship-program>).
- **Launcher** – Wilmington, Delaware: Launcher “equips entrepreneurs with the tools to start or expand their businesses and provides ongoing resources for sustained success. The Launcher program serves the communities of Bear, Claymont, New Castle, Wilmington (West and Northeast), Dover, and Georgetown (<https://launcherde.org/>).

- **ProsperUs** – Detroit, Michigan: “ProsperUs Detroit is a place-based economic development strategy designed to empower low- and moderate-income, immigrant, and minority individuals. Through our culturally competent range of services, we strive to support the entrepreneurial spirit and small business community that exists in Detroit’s neighborhoods” (<https://prosperusdetroit.org/frequently-asked-questions/>).
- **Set Up Shop** – Anchorage, Alaska: Set Up Shop works with entrepreneurs from underserved communities to open businesses in their home communities. They provide “a pipeline of support for neighborhood entrepreneurs looking to start or grow their businesses” in Set Up Shop’s focus neighborhoods– Fairview, Spenard, Muldoon, and Mountain View (<https://anchorageandtrust.org/set-up-shop/>).
- **Up Start of CenterState Corporation for Economic Opportunity** – Syracuse, New York: Up Start is a collaborative business development program that connects existing businesses and aspiring entrepreneurs to the tools and networks that help them thrive. The program brings together the “collective resources of existing business organizations and community partners while also bridging the work of CenterState CEO’s Economic Inclusion and Innovation and Entrepreneurship portfolios. Each Up Start entrepreneur and business owner works with a program adviser to build a personalized path to successful business ownership and expansion” (<https://www.BfWAlliance.org/new-blog/2022/5/29/centerstate-ceo>).
- **The Welcoming Center**– Philadelphia, Pennsylvania: The Welcoming Center offers numerous practical tools to assist new and emerging small business owners who have recently arrived in Pennsylvania. The Business Training Program assists start-up and new businesses to obtain business training, financing, and other support within their own communities. Hands-on assistance helps business owners to understand city regulations, develop a business plan, understand business operations, identify capital, create a marketing strategy, and much more.

Methodology

This evaluation is based on information from telephone surveys conducted by Wilder Research interviewers with business owners assisted by BfWA members.

The surveys were conducted from August 2023 through April 2024. Wilder Research began with a list of 854 potential business owners identified by BfWA. Each potential owner was mailed a letter from the organization that served them, describing the purpose of the evaluation and asking for their cooperation. Wilder Research then tried to reach each business owner up to ten times by phone. Business owners who spoke Spanish were offered an opportunity to complete the interview in Spanish.

From the original list of 854 participants, 734 were eligible to participate in the study. Businesses were considered ineligible if they were not currently in business or had not received services from BfWA. Wilder staff called each of the 734 eligible participants up to 10 times by telephone. If business owners did not answer and had voicemail, Wilder staff left messages with a number to call back and an option to schedule a time to complete the survey. Of the 734 eligible businesses, 44 refused to complete the survey, 71 had bad numbers or their numbers were disconnected, 72 started the survey but did not finish it, 380 did not answer their phone and did not have a voicemail option, and 8 had a language barrier that prevented them from completing the survey in English or Spanish. Of the eligible sample of 734 businesses, 159 completed the survey for a response rate of 22%. Figure 1 shows response rates by BfWA member.

1. Response rate

Member	Final number in sample	Number completed	Completion rate
All BfWA	734	159	22%
Launcher	197	33	17%
ProsperUs	303	64	21%
Up Start	25	4	16%
Set Up Shop	127	39	31%
Canopy Northwest Arkansas	17	11	65%
The Welcoming Center	65	8	15%

About this report

This report provides information based on the responses of the 159 business owners surveyed. As the total number of people who answered any given question varied, Ns for each question may also vary. Throughout the report, the text highlights key findings. Full data tables can be found at the end of the report. In some cases, totals do not add up to 100% due to rounding.

Overview of BfWA members' performance

Results from the 159 surveyed owners were tallied to estimate the financial impact of the businesses. These numbers represent only the 159 businesses who responded to the survey. More than 700 businesses are represented by BfWA, so estimated dollars returned to neighborhoods and states can be assumed to be much higher.

2. Overview of BfWA members' performance

Total yearly dollars spent	
Rent for businesses who rent their location	\$1,051,140
Property taxes for businesses who own their location	\$26,000
Business expenses (including rent and payroll)	\$11,141,052
Cash/in-kind contributions to local neighborhoods	\$401,600
Payroll for businesses with paid employees	\$2,914,620
Payroll taxes for businesses with paid employees	\$161,040
Sales tax	\$117,763

Profile of BfWA-assisted business owners

Demographic background

BfWA members primarily support low-income entrepreneurs of color. In 2023, 87% were people of color, 70% had incomes that were 80% or less of the federal poverty line, and 51% of BfWA business owners were female.

Financial status

Income

The average annual household income of respondents (N=97) was \$92,192, with a median of \$65,000 and a range from \$2,500 to \$800,000.

Income increase as a result of business

Less than half of respondents (41%) said their household income increased as a result of their business. For these owners, the average increase was \$27,912 and the median was \$8,000. Increases ranged from \$500 to \$600,000. In sum, the BfWA-assisted business owners surveyed increased their income by over \$1.1 million.

Financial independence as a result of business

When asked if they are more financially independent now than they were the previous year as a result of their business, 18% of surveyed business owners said “quite a bit.” An additional 25% responded “somewhat” and 16% responded “a little.” Forty-two percent responded “not at all.”

Assistance received from BfWA member

Of the 149 respondents who identified which services they received from the BfWA member, most participated in an entrepreneur or business plan class (80%). In addition, 48% received technical assistance or business services, 40% attended a business workshop, and 34% received a loan or financing. Sixty-two percent of respondents received more than one service from the BfWA member.

BfWA-assisted businesses

Current status of BfWA-assisted businesses

Age and status of business

In regard to the age of the businesses, 19% had been operating for less than three years, 26% for three to four years, 38% for five to nine years, 13% for 10 to 19 years, and 4% for 20 years or more. The average age of the businesses was six years, with a median of five years and a range from less than one year to 40 years.

Surveyed business owners were asked about their type of business entity. Twenty-two percent of owners indicated that their business was a sole proprietorship, while a significant majority, 72%, reported their business was registered as a Limited Liability Company (LLC). Additionally, 6% of respondents stated that their business was registered as something else, such as a 501(c)(3) or an S corporation.

Surveyed business owners were asked whether they started a new business or sustained/expanded a current business with BfWA assistance. Thirty percent of owners said they started a new business, and 37% said they received assistance with a pre-existing business; 33% expanded an existing business.

A majority, 83%, reported having a current business license, while 17% did not. In total, 81% of businesses were registered with the state. On average, businesses that were registered had been licensed for five years, with a median of four years and a range from less than one year to 40 years.

Business space

Regarding business space, 58% of the businesses were home-based and 42% were located in commercial space. Of the surveyed business owners using commercial space (N=67), 82% leased and 18% owned the location.

Forty percent of surveyed business owners lived in the same neighborhood as their business.

Percentage of business from within one mile

Respondents were asked to estimate the amount of business that comes from within one mile of their location. Eighty-five percent said at least some of their customers live within a mile, including 48% who said over half of their customers are from the immediate

neighborhood. On average, respondents estimated that about half of their business comes from within one mile of their location.

Yearly gross revenue and debt

Current yearly gross revenues

Surveyed business owners were asked for their current yearly gross revenue from their business (N=121). About 10% receive no revenue from their business currently and 18% make more than \$120,000 per year. The mean revenue was \$92,192, with a median of \$65,000 and a range from \$2,100 to \$800,000.

Debt

Respondents were also asked about their business debt (N=146). About half (51%) reported having no current business debt. Of the business owners who had debt and reported the amount (N=71), the mean was \$65,769 and the median was \$17,000. The total amount of business debt for all respondents who reported it was about \$4.6 million.

Respondents were asked if their debt had changed since last year. Eighty participants responded, and 28% had less debt than last year and 41% had more.

Considering only respondents who provided an estimate of their debt (N=64), 30% said their amount of debt stayed the same. Business debt decreased for 23% of these business owners, including 13% who reported a decrease of \$10,000 or more. Debt increased for 47% of these business owners, including 25% who said their debt increased by \$10,000 or more. Overall, the average change in debt was an increase of about \$12,860. For those whose debt increased, the average change was \$39,207 more and the median \$13,500. In regard to decreases in debt, the average was \$23,543 less and the median \$10,000.

Expansion of pre-existing businesses since BfWA assistance

Respondents with pre-existing businesses were asked about changes in their business since receiving assistance from a BfWA member. Definitions of being in business may vary. Thus, respondents who reported having a pre-existing business were asked if their business was registered with the state at the onset of BfWA assistance to better distinguish between established businesses and those more akin to a hobby. Only businesses that were registered were considered “pre-existing.” Based on these criteria, 110 businesses were considered “pre-existing” businesses and are the subject of the following analyses.

Expansion of pre-existing businesses

Expansion of staff

Fifteen percent of the pre-existing business owners (N=110) had hired more employees since BfWA assistance. Of these owners, 65% added one to three employees and 35% added four to six. Of those businesses who increased their number of employees (N=23), the average increase was three staff and the median increase was two staff. The total number of employees added was 73.

Expansion of annual business income

Sixty-two percent of pre-existing business owners (N=106) reported increasing their annual business income since receiving business-related services from BfWA. Of these owners, the average increase was \$27,130 and the median increase was \$10,000. The range of increases was from \$500 to \$400,000.

Expansion of locations

Twenty-two percent of the pre-existing business owners expanded their businesses to at least one additional location. Of these owners, 58% added one location and 29% added two or three more locations. On average, these owners (N=24) added two locations, with a median of one location and a range of one to 10. In total, 48 new locations were created.

Access to bank loans or services

Owners of pre-existing businesses were asked whether they could now access bank loans or other bank services that were previously unavailable to them. Fifty-two percent said they could.

Neighborhood impacts of BfWA-assisted businesses

Building and property-related impacts of businesses

Twelve of the surveyed business owners (18%) were in commercial space that they owned. For those who reported the amount of their annual property tax (N=7), the median was \$2,700, with a range from \$2,000 to \$10,500. The total amount of property taxes paid annually on commercial space was \$26,000. These seven business owners were also asked if the commercial space was previously vacant before their business moved into it. Three said it was.

Eighty-two percent of the surveyed business owners reported paying rent on commercial space. Of these business owners, 37% paid less than \$1,000 per month in rent and 35% paid \$2,000 or more. For those who provided the amount of rent they pay (N=48), the average was about \$1,800, and the median \$1,450. In total, these BfWA-assisted business owners paid about \$87,595 in monthly rent or approximately \$1,051,140 annually.

Employment impacts of businesses

Number and profile of persons employed by BfWA-assisted businesses

About 29% of surveyed business owners had paid employees. These 44 business owners employed between one and 15 individuals, with an average of four employees per business, and a median of three employees. In total, the BfWA-assisted business owners employed 179 individuals.

Employers were asked to record the ethnicity/race of their employees, with the option of selecting multiple ethnic/racial categories for each employee. According to employers, 58% of employees are African American or Black, and 14% are Latino or Hispanic. Less common racial or ethnic backgrounds included Native American (5%), Caucasian or white (18%), African (1%), and Asian (5%). In addition, 25% of employees were identified as “other” (i.e., a race or ethnicity not listed) or “unknown.”

Wages and payroll

Forty business owners with paid employees reported about hourly wages paid to employees. Five percent of their employees were paid less than \$10 per hour. Fifty percent of employees were paid between \$10 per hour and \$14.99 per hour. Fifteen percent were paid \$20 or more per hour. Employees earned an average of \$15.25 per hour and the range was between \$7.50 per hour and \$30 per hour.

Respondents with paid employees (N=44) were asked for the amount of their monthly payroll. Twenty-six respondents gave this information. Of those 26 owners, 26% had monthly payrolls of less than \$1,000 and 22% had payrolls of more than \$10,000. The mean payroll was about \$9,300, and a median of \$4,400. The total monthly payroll of these business owners was \$242,885, or about \$2.9 million annually.

Of the surveyed business owners with employees, eleven reported about their monthly payroll taxes. The amount of payroll tax paid each month ranged from \$20 to \$4,000, with an average of \$1,220 and a median of \$600. The payroll taxes for these business owners totaled about \$13,420 a month, or about \$161,040 annually.

No employers offered health insurance, but 36% offered paid time off.

Other contributions to neighborhood economy and quality of life

Estimated total yearly business expenses

Surveyed business owners were asked to estimate their total monthly business expenses, including cost of goods sold, insurance, payroll, rent, and marketing. A total of 117 respondents answered this question. Twenty-one percent said they spent less than \$500 and 16% spent \$10,000 or more. Average yearly business expenses reported were \$7,900 and median expenses were \$1,500. The range was \$15 to \$250,030. In total, these BfWA-assisted business owners estimated spending about \$11 million annually.

Surveyed business owners were also asked what percentage of their monthly business expenses, including cost of goods sold, insurance, payroll, rent, marketing, is spent within one to two miles of their business (i.e., in the immediate neighborhood). Thirty-nine percent of respondents said they spend 50% or more of their monthly expenses in their neighborhood

Sales tax

Ninety-eight owners reported the amount they paid in sales tax each year. Seventy-six percent paid no sales tax and 14% paid \$1,000 or more. The average amount paid per year was \$4,906 and the median was \$1,475, with a range of \$94 to \$34,000.

Contributions to neighborhood events or activities in past 12 months

Three-fourths of surveyed business owners reported contributing some time, money, or in-kind support to neighborhood events or activities in the previous 12 months. Specifically, 60% donated their time, 57% provided in-kind support, and 41% donated money.

Surveyed business owners were asked to assign a dollar value to their contributions. Of those business owners who provided an amount (N=130), 20% said the amount was between \$1,000 and \$5,000. The average estimate was \$4,098, and the median \$1,000.00, with a range between \$50 and \$150,000. In sum, respondents estimate that they made approximately \$401,600 worth of contributions to neighborhood events and activities during the prior year.

Business owners as role models and leaders

Surveyed business owners were asked if they serve as role models community members. Ninety-two percent said they do. Almost half of surveyed business owners said they served as leaders for groups or organizations in their neighborhood or ethnic community.

Owners reported a variety of organizations for which they served as leaders, including, but not limited to: religious organizations, civic associations, business associations, neighborhood and community groups, arts and cultural events and associations, boards and taskforces, nonprofits, schools, environmental groups, athletic teams, and peer support groups.

Gathering place for the community

Forty-six percent of respondents said their business serves as a gathering place for the community.

Impacts on owners' children and families

Yearly household income

Surveyed business owners were asked for their yearly household income from all members and all sources, including from their business. The average annual household income of respondents was \$92,192, with a median of \$65,000 and a range from \$2,100 to \$800,000. Forty-one percent reported an income of more than \$70,000.

Sixty-eight percent of surveyed BfWA-assisted business owners said they are a parent, guardian, or primary caretaker for at least one child. The average number of children was two. The greatest number of children in a family was seven, and the total number of children for all business owners was 272.

About 48% of owners had at least one child living in their household. The highest number of children in a household was 7, and the average was one child. In total, 165 children were living with respondents.

Children's education and career experience

Fifty-two percent of respondents with children said owning a business increased their family's ability to participate in activities outside of school, and 41% said there was no change but the situation was fine already. Five percent felt there was no change and that change was warranted.

Thirty-seven percent of respondents with children reported that owning a business improved their family's ability to help their children do well in school. About half of respondents said their ability didn't change, but was fine as is, while 10% said no change happened, and their situation could use improvement.

For both participating in out-of-school activities and helping children do well in school, 5% of respondents said their family's situation worsened as a result of their business, and 19% said they didn't know if there was change or the question wasn't applicable.

Eighty-one percent of respondents with children said their children were involved in the business in informal and formal ways. Of the respondents who said their children did not work for pay at the business (N=78), 93% thought their children would do so someday.

Respondents were asked how their children were involved in the business. A total of 101 owners provided a response. These responses were grouped into themes. The most common themes were: set-up and cleaning (n=16); food preparation, cooking, and baking (n=15); deliveries (n=4); order taking, sales, and serving as cashier (n=12); product creation and packaging (n=6); customer service (n=8); marketing and advertising (n=7); food service (n=10); and inventory management and stocking (n=9).

Financial security

Forty-three percent of respondents said they were at somewhat or quite a bit more financially independent now than last year because of their business. Twenty-five percent of respondents said their ability to have stable housing improved as a result of business ownership, while 58% said it did not change, but was fine already.

COVID relief programs

When asked about accessing Build from Within Alliance COVID relief programs, 17% of surveyed business owners reported that they received assistance, while 58% did not, and 25% indicated that their business was not operational before or during the COVID-19 pandemic. Regarding changes made to their business since COVID, 21% of respondents started selling their goods or services online, and 22% began selling off-site.

Additionally, 28% made cuts to business expenses, and another 28% changed the products or services they offer. Interestingly, 24% reported making no changes to their business.

Lessons learned during COVID

Participants were asked an open-ended question about the key lessons they learned about business practices during COVID that are still helpful today.

Many participants discussed the importance of social media, having an online presence, and using the internet during COVID. For many participants, learning how to harness social media was essential to growing their business during COVID and after.

Several participants said they learned to diversify their business offerings during COVID and that it was important to have secondary plans in place. One person said it was important to “be able to pivot and not be afraid of change.” Other participants said it was important to their business to stay consistent and maintain a presence. Most of the participants who responded to this question included anecdotes about adapting their business or service during COVID including offering products online, offering delivery services, offering more appointments, changing cleaning and sanitation practices, and changing the types of products they offered.

Several participants said that having a clear business plan and solid goals helped them through COVID and those plans and goals are still in place today. Other participants talked about the importance of customer relations during COVID. One participant said “I had to learn my neighborhood, learn what customers like” and another participant said “I had to have more patience with customer service.” Several participants said the financial management practices they put into place during COVID to conserve costs are still effective today.

Many respondents discussed the importance of community and connection during COVID, both for customers and for their employees. One participant said they tried to “make sure that [their workplace] culture [was] such that the employees want to come to work, including creating their own schedules, team building outings, paying livable wages and bonuses.”

Views of BfWA members' assistance

Surveyed business owners were asked to choose from a list of statements regarding their business relationship with the BfWA member that provided them with services. Twenty-seven percent of owners said their business “is as successful as it is today” largely because of the BfWA member’s assistance, and 49% said their success is somewhat due to the BfWA member’s assistance. Eleven percent reported their business is neither better nor worse off, and no one felt their business was worse off.

Data tables

3. Demographic profile of BfWA-assisted businesses

Type of business (N=159)	
Sole proprietorship	22%
Limited Liability Company	72%
Something else	6%
New or existing business by owner self-report (N=155)	
Opened new business	30%
Sustained or turned around a business	37%
Expanded an existing business	33%
Business is licensed (N=155)	
Yes	83%
No	17%
Years since business registration (N=129)	
Less than 3 years	27%
3 to 4 years	26%
5 to 9 years	33%
10 or more years	13%
Mean	5
Median	4
Range	<1-40
Years business in operation (N=159)	
Less than 3 years	19%
3 to 4 years	26%
5 to 9 years	38%
10 to 19 years	13%
20 or more years	4%
Mean	6
Median	5
Range	1 to 40

Note. Category totals vary from 100% due to multiple responses being allowed.

4. Business physical space

Type of space (N=159)	Percent
Business is run out of owner's home	58%
Business is run out of commercial space	42%
For businesses in commercial space, owners (N=67)	
Rent the space	82%
Own the space	18%
For owners who own the space (N=12)	
Owners bought before receiving support from BfWA	67%
Owners bought after receiving support from BfWA	33%
Why did you locate your business where you did? (N=67)	
Wanted to be in specific neighborhood	42%
Affordability	66%
Wanted to make a positive statement about their community	62%
Wanted to be connected to other businesses nearby	46%
It was in a visible or valuable neighborhood	52%

Note. Category totals vary from 100% due to multiple responses being allowed.

5. Services received from BfWA member

Services received from BfWA member (multiple responses possible; N=149)	Percent
Entrepreneur/Business Plan Training class	80%
Technical Assistance/Business Services	48%
Business Workshop	40%
Loan or Financing	34%
Received two or more services	62%

Note. Category totals vary from 100% due to multiple responses being allowed.

6. Financial status of BfWA-assisted owners

Yearly household income (N=97)	
Up to \$18,000	8%
\$18,001 to \$30,000	11%
\$30,001 to \$42,000	7%
\$42,001 to \$70,000	32%
More than \$70,000	41%
Mean	\$92,192
Median	\$65,000
Household income has increased as result of business (N=153)	
Yes	41%
No	36%
I do not get any personal/household income from my business	24%
Amount income increased from business (N=42)	
Up to \$1,200	7%
\$1,201 to \$3,600	14%
\$3,601 to \$6,000	24%
\$6,001 to \$18,000	21%
\$18,001 to \$30,000	19%
More than \$30,000	14%
Mean	\$27,912
Median	\$8,000
Range	\$500-\$600,000
Total increased yearly household income	\$1,172,300
More financially independent now than last year, because of business (N=154)	
Quite a bit	18%
Somewhat	25%
A little	16%
Not at all	42%

Note. Category totals may vary from 100% due to rounding.

7. Financial benefits of business to owner/family

Has owning your own business allowed you to... (N=67)	Percent
Take a vacation	32%
Buy your own home	10%
Buy other property	10%
Send your children to college	7%
Help your children buy a home	1%
Save money for retirement	14%

Note. Category totals vary from 100% due to multiple responses being allowed.

8. Yearly business revenue and debt

Yearly gross revenue from business (N=121)	
No revenue to date	10%
\$1 to \$3,600	12%
\$3,601 to \$12,000	17%
\$12,001 to \$36,000	20%
\$36,001 to \$60,000	12%
\$60,001 to \$120,000	12%
More than \$120,000	18%
Of those who provided an amount > 0 (N=109)	
Mean	\$105,398
Median	\$32,000
Range	\$550-\$1,000,000
Total yearly gross business revenue	\$11,488,449
Total amount of current business debt (N=146)	
\$0/No business debt	51%
\$1 to \$5,000	15%
\$5,001 to \$20,000	13%
\$20,001 to \$75,000	12%
More than \$75,000	9%
Of those who reported debt greater than \$0 (N=71)	
Mean	\$65,769
Median	\$17,000
Range	\$500-\$1,000,000
Total amount of business debt	\$4,669,619

Note. Category totals may vary from 100% due to rounding.

9. Yearly gross revenue and debt (continued)

Change in business debt since previous year (N=80)	
Current business debt is less than previous year	28%
Current business debt is the same as the previous year	24%
Current business debt is more than the previous year	41%
Business was not open last year	8%
Debt change of those who provided an estimate (N=64)	
Decreased by \$10,000 or more	13%
Decreased by less than \$10,000	11%
Stayed the same	30%
Increased by less than \$10,000	22%
Increased by \$10,000 or more	25%
Debt change of those who provided an estimate (N=64)	
Mean	+\$12,860
Median	\$0
Debt change of those with <u>increased</u> debt (N=30)	
Mean	+\$39,207
Median	+\$13,500
Debt change of those with <u>decreased</u> debt (N=15)	
Mean	-\$23,543
Median	-\$10,000

Note. Category totals may vary from 100% due to rounding.

10. Business status based on owner self-report and business registration

Reclassified business status (N=151)^a	Percent
Licensed business that opened after receiving program support	27%
Licensed business that already existed while receiving program support	58%
Unlicensed business that opened after receiving program support	5%
Unlicensed business that already existed while receiving program support	11%

Note. Category totals may vary from 100% due to rounding.

^a BfWA uses the business being registered with the state as criteria for being a pre-existing business. Given this, some businesses which were classified as pre-existing businesses by their owners were reclassified as new businesses and omitted from these analyses.

11. Growth of pre-existing businesses^a since BfWA assistance

Since receiving BfWA assistance...	
Increased number of employees (N=110)	
Yes (N=23)	21%
1-3 staff	65%
More than 3 staff	35%
No (N=87)	79%
Of those who increased their number of employees (N=23)	
Mean	3
Median	2
Range	1-6
Total number of employees added	73
Business income increased since receiving BfWA services (N=106)	
Yes	62%
No	38%
Amount of increase in annual business income (N=37)	
\$1 to \$3,000	27%
\$3,001 to \$6,000	14%
\$6,001 to \$12,000	19%
\$12,001 to \$24,000	19%
More than \$24,000	22%
Mean	\$27,130
Median	\$10,000
Range	\$500-\$400,000

Note. Category totals may vary from 100% due to rounding.

^a BfWA uses the business being registered with the state as criteria for being a pre-existing business. Given this, some businesses which were classified as pre-existing businesses by their owners were reclassified as new businesses and omitted from these analyses.

11. Growth of pre-existing businesses^a since BfWA assistance (continued)

Expanded their business to additional locations (N=110)	
Yes (N=24)	22%
1 additional location	58%
2 to 3 additional locations	29%
4 or more additional locations	13%
No	78%
Of those who expanded their location (N=24)	
Mean	2
Median	1
Range	1-10
Total number of additional locations	48
Can now access bank loans or services unable to access in the past (N=110)	
Yes	52%
No	48%

Note. Category totals may vary from 100% due to rounding.

^a BfWA uses the business being registered with the state as criteria for being a pre-existing business. Given this, some businesses which were classified as pre-existing businesses by their owners were reclassified as new businesses and omitted from these analyses.

12. Building/property-related impacts of businesses^a

Property taxes	
Percentage who pay property taxes on commercial property (N=159)	5%
Annual property tax of those who provided an amount (N=7)	
Mean	\$3,714
Median	\$2,700
Range	\$2,000-\$10,500
Total annual property taxes	\$26,000
Rent	
Percentage who pay rent on commercial property (N=159)	82%
Amount of rent paid monthly on commercial property (N=48)	
Less than \$1,000	37%
\$1,000 to \$1,999	29%
\$2,000 or more	35%
Of those who provided an amount (N=48)	
Mean (per month)	\$1,824
Median (per month)	\$1,450
Range (per month)	\$50-\$10,000
Total monthly rent	\$87,595
Estimated total annual rent	\$1,051,140

Note. Category total may vary from 100% due to rounding.

13. Employment impacts of businesses^a

Does business have <i>paid</i> employees (N=153)	
Yes (N=44)	29%
1 to 2 employees	46%
3 to 5 employees	32%
6 to 10 employees	18%
11 to 20 employees	5%
No, business has no paid employees	72%
Of business with paid employees (N=44)	
Mean number of paid employees	4
Median number of paid employees	3
Range	1-15
Total number of paid employees	179
Percentage of businesses with paid employees who live in the same neighborhood as the business (N=43)	63%
Percentage of employees who live in the neighborhood where the business is located (N=43)	
0% to 10%	37%
11% to 50%	20%
51% to 90%	10%
91% to 100%	35%

Note. Category total may vary from 100% due to rounding.

^a Paid employees do not include business owners.

13. Employment impacts of businesses^a (continued)

Race or ethnicity of paid employees (multiple responses possible; N=179)	
African	1%
African American/Black	58%
Asian	5%
Caucasian/white	18%
Latino/Hispanic	14%
Native American	5%
Other/unknown	25%
Hourly wage rates of paid employees for whom wage data were available (N=40)	
Less than \$10 an hour	5%
\$10.00 to \$14.99 an hour	50%
\$15.00 to \$19.99 an hour	30%
More than \$20.00 an hour	15%
Mean	\$15.25
Median	\$14.37
Range	\$7.50-\$30
Monthly payroll of owners with paid employees (N=26)	
\$1,000 or less	26%
\$1,001 to \$2,500	15%
\$2,501 to \$5,000	15%
\$5,001 to \$10,000	22%
More than \$10,000	22%
Mean	\$9,341
Median	\$4,400
Range	\$25-\$40,000
Total monthly payroll	\$242,885
Estimated annual payroll	\$2,914,620

Note. Category totals vary from 100% due to rounding or, when indicated, due to multiple responses being allowed.

^a Paid employees do not include business owners.

13. Employment impacts of businesses^a (continued)

Monthly payroll taxes of owners with paid employees (N=11)	
Mean	\$1,220
Median	\$600
Range	\$20-\$4,000
Total monthly payroll taxes	\$13,420
Estimated annual payroll taxes	\$161,040
Owners offering health insurance (N=44)	0%
Owners offering paid time off (N=44)	36%

Note. Category totals may vary from 100% due to rounding.

^a Paid employees do not include business owners.

14. Other contributions to neighborhood economy and quality of life

Owner lives in same neighborhood as business (N=67)	40%
Percentage of business clients from immediate neighborhood (N=151)	
0%	15%
1% to 10%	12%
11% to 25%	5%
26% to 50%	19%
51% to 100%	48%
Mean percent	51%
Median percent	50%
Range	0%-100%
Monthly business expenses (including rent and payroll) (N=117)	
\$1 to \$999	34%
\$1,000 to \$4,999	41%
\$5,000 to \$9,999	9%
\$10,000 or more	16%
Mean	\$7,935
Median	\$1,500
Range	\$15-\$250,030
Estimated total yearly expenses for all businesses	\$11,141,052
Monthly business expenses spent within the neighborhood the business is located in (N=144) ^a	
0%	8%
1% to 25%	29%
26% to 50%	24%
51% to 90%	24%
91% to 100%	15%
Of those who provided a percentage greater than 0 (N=132)	
Mean	47%
Median	43%

Note. Category totals may vary from 100% due to rounding.

^a Only business owners who provided a business expense amount and percentage spent in neighborhood are included in analysis.

14. Other contributions to neighborhood economy and quality of life (continued)

Estimated amount of sales taxes paid each year (N=98) ^a	
\$0/No sales tax	76%
\$1 to \$999	10%
\$1,000 or more	14%
Of those who provided an amount > 0 (N=24)	
Mean	\$4,906
Median	\$1,475
Range	\$94-\$34,000
Total sales tax	\$117,763

Note. Category totals may vary from 100% due to rounding.

^a Some respondents lived in areas without sales tax. These respondents were removed from the analysis.

14. Other contributions to neighborhood economy and quality of life (continued)

Owners contributed to neighborhood events or activities in the past year (N=157)	75%
Type of contribution (multiple responses possible)	
Time	60%
Money	41%
In-kind support	57%
Something else	20%
Dollar value of business contributions to neighborhood events/activities in prior 12 months (N=130)	
\$0/contribution didn't have dollar value	25%
\$1 to \$500	29%
\$501 to \$1,000	15%
\$1,001-\$5,000	20%
Over \$5,000	12%
For those who provided an estimated amount > 0 (N=98)	
Mean	\$4,098
Median	\$1,000
Range	\$50-\$150,000
Total annual contributions	\$401,600
Owners feel they serve as a role model for community members (N=154)	
Yes	92%
No	8%
Owners serve as a leader for groups or organizations in neighborhood or ethnic community (N=158)	
Yes	42%
No	58%
Business serves as a community gathering place (N=157)	
Yes	46%
No	54%

Note. Category totals may vary from 100% due to rounding.

15. Children of BfWA-assisted business owners

Number in household (N=159)	
Single person	24%
Two persons	23%
Three persons	16%
Four or more persons	37%
Mean	3
Median	3
Range	1-9
Parent or guardian to at least one child (N=156)	68%
Number of children that business owner is parent, guardian or primary caretaker of (N=156)	
0	32%
1	17%
2-3	35%
4-5	12%
6 or more	4%
Mean	2
Median	2
Range	0-7
Total	272
Number of children in household (N=159)	
0	52%
1	18%
2-3	23%
4 or more	8%
Mean	1
Median	0
Range	0-7
Total	165

Note. Category totals may vary from 100% due to rounding.

16. Children and family-related impacts of businesses

How has owning your business impacted your family's ability to... (N=153)	Improved	No change and was fine already	No change but could use improvement	Worsened
Participate in activities outside of school?	52%	41%	5%	2%
Afford enough nutritious food?	37%	43%	18%	2%
Have transportation to get you and your family where you want to go?	28%	61%	11%	1%
Help your children do well in school?	37%	50%	10%	3%
Have stable housing?	25%	58%	17%	1%
Help your children be healthy?	43%	55%	1%	1%
Pay for health care when you or your family need it?	15%	61%	19%	5%

Note. Row totals may vary from 100% due to rounding.

17. Children's involvement in businesses

Children either help with business or work for pay at business (N=107)	81%
If "no," any indication children will work for pay for the business in the future (N=28)	
Yes	93%
No	7%
Whether owner believes children will take over business or own their own business one day (N=95)	
Yes, they have already or they own their own business	20%
Yes, I think they will in the future but do not currently	57%
No	23%

Note. Category totals may vary from 100% due to rounding.

18. Impact of COVID on businesses

Percentage of businesses receiving assistance with COVID relief programs from BfWA (N=156)	Percent
Yes	17%
No	58%
Business was not open before or during COVID	25%
Changes made to business since COVID (N=155)	
Started selling goods/services online	21%
Started selling good/services off-site	22%
Made cuts to business expenses	28%
Changed products/services offered	28%
Did not make any business changes	24%

Note. Category totals may vary from 100% due to rounding.

19. Views of BfWA members' assistance

Perceived influence of BfWA member on success of business (N=149)	Percent
My business is as successful today largely because of BfWA member's services	27%
My business is as successful today somewhat or partly because of BfWA member's services	49%
My business is successful today very little because of BfWA member's services	13%
My business is no better off or no worse off because of BfWA member's services	11%

Note. Category totals may vary from 100% due to rounding.

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