



National Small Business Poll

NFIB National

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2012

Small Business Poll

Certification & Industry-Specific Learning

NFIB National Small Business Poll

The **National Small Business Poll** is a series of regularly published survey reports based on data collected from national samples of small business employers. The initial volume was published in 2001. The **Poll** is designed to address small business-oriented topics about which little is known but interest is high. Each survey report treats different subject matter.

The survey reports in this series generally contain three sections. The first section is a brief Executive Summary outlining a small number of themes or salient points from the survey. The second is a longer, generally descriptive, exposition of results. This section is not intended to be a thorough analysis of the data collected nor to explore a group of formal hypotheses. Rather, it is intended to textually describe that which appears subsequently in tabular form. The third section consists of a single series of tables. The tables display each question posed in the survey broken-out by employee size of firm.

Current individual reports are publicly accessible on the NFIB Web site (www.nfib.com/research) without charge. They are also available at www.411smallbusinessfacts.com. The 411 site also allows the user to search the entire data base. It searches all of the questions in all of the individual Polls with a user-friendly Google-type, key word, topic, or Poll sort facility.

Published (printed) reports can be obtained at \$15 per copy or by subscription (\$100 annually) by writing the **National Small Business Poll**, NFIB Research Foundation, 1201 "F" Street, NW, Suite 200, Washington, DC 20004. The micro-data and supporting documentation are also available for those wishing to conduct further analysis. Academic researchers using these data for public informational purposes, e.g., published articles or public presentations, and NFIB members can obtain them for \$20 per set. The charge for others is \$1,000 per set.

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Poll



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Certification & Industry-Specific Learning

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Executive Summary

- Small-business owners have notably more formal education than the adult population, particularly considering they are on average older. However, of the 46 percent of owners with at least a four-year college degree, less than one-quarter majored in engineering and the physical or life sciences.
- Forty (40) percent of small-business owners now have 30 years or more of experience in the industry of their current business and another 28 percent have between 20 and 29 years.
- Forty-nine (49) percent of small employers report that they must possess some type of credential or skill certification to operate their businesses.
- The place small-business owners most frequently obtain the necessary knowledge and/or skill set to earn their credentials is an apprenticeship or on-the-job-training (27%), followed by formal education (24%). A trade or vocational school program yields credentials for another 11 percent of those needing them. Thirteen (13) percent of owners simply study for initial credentials on their own. Seven (7) percent take specific on-line or face-to-face courses.
- Fifty-four (54) percent of small employers needing credentials must take periodic continuing education-type courses to retain certification. Still, 42 percent of those who are no longer required to take such courses do so anyway.
- Sixty-eight (68) percent of small employers are members of a business, trade or professional organization. The most important organization for 64 percent of them offers a business, technical or professional training/education program; 57 percent offer some type of credential.
- Small-business owners requiring certification are more likely to be a member of at least one trade/business/professional association and much more likely to belong to multiple such groups. They are also more likely to belong to groups where the educational component of the organization is valued.
- In the last year, two of three small employers attended at least one convention or trade show.
- Thirty-six (36) percent of all small employers took at least one course that lasted four hours or more on a business-related subject in the last year. The most frequent sponsor of such courses was a business or professional association (36%) followed in frequency by a supplier (26%).
- The subject of these courses/seminars was most often technical or professional in nature. Topics that have general applicability with the exception of marketing were not of frequent interest.
- The most common purpose of taking a course/seminar (66%) is to upgrade skills. Another 25 percent took one to get or stay certified while 3 percent did so to resolve a specific problem.
- Though 30 percent of small employers spent less than an hour in the last 12 months attending or on-line in education and training sessions, the median time spent for the remainder was about 16 hours or two full days.
- Forty-three (43) percent of owners claim that once a week or more they now go to a Web site(s) to ask a question or have an e-mail conversation about some aspect of their business, excluding the purchase of products or services.
- Use of the Internet and reading traditional periodicals are re-enforcing means to obtain industry-specific information. Small-business owners who use one tend to use the other.

Certification & Industry-Specific Learning

Small-business owners and managers must possess two types of knowledge to successfully operate their firms – general management knowledge, such as marketing, accounting, and human resources, and industry-specific knowledge, such as an industry’s customs and norms, its cycles, and its technologies. The former type focuses on skills/knowledge that is readily transferable from business to business regardless of its industry and is a staple of the formal education system. It is taught in most high schools and college business schools precisely because these topics acquire a critical mass of students and faculty that makes it efficient to teach them. The latter type, that is, industry-specific knowledge, is another matter. With exceptions of law, medicine, education, and agriculture, there is usually not a critical mass for industry-specific knowledge to be made part of the formal education system. Technical schools and vocational training programs in some high schools are exceptions. But the relative lack of its presence in the public education system makes industry-specific knowledge no less important. In fact, a reasonable argument can be made that industry-specific knowledge is the more important to a firm’s operation, particularly for smaller, small firms, because it focuses on the *raison d’être* of the business. This issue of the *National Small Business Poll* therefore focuses on industry-specific knowledge, including certification of adequate amounts of that knowledge, and how it is acquired.

Formal Education; the Capacity to Learn

Small employers are better educated (formally) than is the American public as a whole. This gap is particularly striking given that small employers are on average substantially older than the population of adult Americans, a population where younger people as a group are more educated than older people. Forty-six (46) percent of small-business owners have a college degree, 15 percentage points of which have a graduate or professional degree (Q#5). Another 3 percent of current owners are now pursuing a

degree or another degree (Q#5b). In comparison, 27 percent of the entire over age 25 population are college educated,¹ a 19 percentage point difference. Ten (10) percent hold a graduate or professional degree, 5 percentage points fewer than small-business owners.

In addition to those graduating from college, another 26 percent of small employers either attended college for some period or have an associate’s degree. Four (4) percent possess a vocational or technical diploma. That leaves just 22 percent of small-business owners who have not accessed post-secondary training, 14

¹ http://nces.ed.gov/pubs2007/ruraled/tables/table2_9.asp

percent fewer than for the entire population. Put another way, 42 percent of owners who have no training beyond high school are 60 years and older. Yet, those 60 and over constitute 31 percent of the small-business owner population. Therefore, it appears that over time those without a formal education above the high school level are phasing out as small-business owners.

The principal area of study for those graduating from college has been business and associated fields, such as finance, management, and marketing. Forty-five (45) percent of small-employer graduates hold a degree from the business school (Q#5a). The remainder obtained their degrees in a variety of disciplines. The social sciences are the most common major outside the business school (12%) with engineering next (10%). Fine arts (8%), the physical sciences (6%), the biological sciences (5%), law (4%) and medicine (4%) follow in that order. Six percent did not respond. Many of those were likely in education, a major inadvertently omitted from the response categories. The upshot is that most college and university training that business owners receive is general, rather than technical or industry-specific in nature. However, this modest level must be supplemented by the 4 percent with a vocational or technical training degree.

The composition of small-business owner college majors does not appear to be changing over time. The distribution of majors across younger and older owners is similar, though the comparison is cross-sectional when longitudinal would have been preferable.

Formal education passes along information, an often undervalued function. A more important function over the longer term, however, is to provide students the reasoning skills to help them learn once they have left school. Formal education, therefore, provides business owners both near-term and long-term advantages in their efforts to operate successful businesses. However, it typically does not provide the industry-specific information and learning channels that move potential owners and owners to practical, daily operation of a business.

Experience

Experience is a type of industry-specific education. One of the few predictors of business survival and success is the owner's experience in the industry. The more familiar the prospec-

tive small employer is with the industry at entry, the more likely, within reason, positive outcomes will result. Forty (40) percent now have 30 years or more of experience in the industry of their current business and another 28 percent have between 20 and 29 years (Q#6). Roughly two-thirds of current business owners, therefore, have been in their industry for at least two decades. Fifteen (15) percent have fewer than 10 years.

For the most part, owners have been involved in the industry as an owner or employee for many more years than they have owned the business. For example, the shortest-lived quartile of ownership is about seven years while the lowest quartile of industry experience is about 15 years. The respective medians run 20 years and 27 years.

Hobbyists and enthusiasts are likely different. They pick up industry-specific information due to intense interest and are not necessarily a formal part of the industry before entering a business in it. They likely represent a sizeable portion of the relative few that claim no prior industry participation.

Credentials

States, in particular, and localities, to a lesser extent, often require small-business owners to possess a credential of some kind in order to operate various types of businesses or perform a function for them. These certifications are separate and distinct from a business license or a tax ID. A heritage of the medieval guild system, the purpose of these credentials is to certify a level of competence or skill thereby protecting the public from incompetent practitioners. Credentialing today typically covers all of the professional services, many other services, such as barbers and hair stylists, operation of certain equipment, including vehicles for hire and, various specialties in the construction trades.

Forty-nine (49) percent of small employers report that they personally or as a business owner must possess some type of credential or skill certification to operate their business as they now do (Q#1). Often their employees are required to obtain credentials as well, though the survey did not elicit information about employee requirements. For the most part, credentials are specific to an industry and require industry-specific training that is not usually part of the formal public education system. The most populous creden-

tial occupations and businesses, such as law, medicine, accounting, and teaching, are exceptions. Those individuals can and almost always do obtain their credentialed skills in the formal education system, though certificate-required boards and bar exams are administered by occupational authorities rather than educators. Still, most certifications small-business owners must have, including re-certifications or continuing education hours, are obtained outside the formal education system.

Small-business owners obtain the necessary knowledge and skill set to earn their credentials in a variety of places. The single most common place (27%) is an apprenticeship or on-the-job-training (Q#1a). These owners effectively learn by doing, though a classroom component can be part of the process. Apprenticeships in many electrical contracting firms are an example. Formal schooling is another important source. A university or college is the source for about one-quarter (24%); a trade or vocational school program yields credentials for 11 percent of those needing them. Many owners simply study for initial credentials on their own (13%). Seven percent take specific on-line or face-to-face course(s). Preparation for the real estate sales exam is an example. Just 2 percent obtained theirs in the military. Finally, 13 percent claim they used a combination of these sources.

The source of learning to obtain the necessary skills to obtain certification tends to be industry-specific. For example, those in construction are likely to have obtained the skills to earn their credential as an apprentice or through on-the-job training. Those in the professional, technical and scientific services industry tended to get theirs from colleges and universities. Still, small employers appear quite resourceful in acquiring the necessary knowledge to obtain their credential. They frequently avoid structured programs to learn on their own.

Credentials are not necessarily a one-time affair. Continuing education requirements are common, and appear to be increasingly so. Fifty-four (54) percent of those needing credentials must also take periodic (commonly one or two years) continuing education-type courses (Q#1b) to retain certification; 46 percent do not. But 42 percent of small employers whose certification no longer requires them to take continuing education-type courses do so anyway (Q#1b1). These owners apparently think the

extra effort and expense yields dividends to them and/or their firm. Thus, about three-quarters of small-business owners who obtain initial certification take some type of continuing education course(s) on a periodic basis.

Trade and Professional Organizations

Because credentials and certifications are so industry specific, professional organizations and trade associations often offer courses, seminars and similar training designed to help those in the industry. The association typically provides a critical mass of owners needing a particular skill/knowledge to make the economics of the education program work.

Sixty-eight (68) percent of small employers report being a member of a business, trade or professional organization (Q#2); 4 percent did not respond. Almost three-quarters of those who join one belong to multiple groups. Seventeen (17) percent are members of four or more. Owners of larger, small firms are more likely to join at least one than are owners of smaller, small firms, and they are also more likely to join multiple organizations.

The most important business organization to a small-business owner offers a business, technical or professional training/education program to help members learn or hone their business and/or professional skills and knowledge in 64 percent of cases (Q#2a). Typically, the organization's education program is not the sole reason for belonging (8%), but it is a very important reason for doing so (43%) (Q#2a1). Still, about one in three say that the education component of their membership is either not an important reason for membership in their most important business/professional organization or is not a reason for it. While it is possible that some who do not think the education component of their membership is valuable possess membership in another group whose education component is valuable, it is not likely to add notably to the total. Thus, about 30 percent of all small-business owners are members of business organizations that offer a continuing education type activity that owners find important to them.

Some professional and business organizations offer their own credential or certification. The credential has professional value, but is not required by the law. In fact, 57 percent of those belonging to an organization claim that their most important organiza-

tion offers a credential or certification of some kind (Q#2a2). That translates into about 26 percent of the small-employer population.

The tie between legal need for certification and trade associations is strong. Those requiring certification are much more likely to be a member of at least one (73 percent compared to 64 percent) and they belong to more on average. Moreover, those requiring certification are more likely to belong to groups where the education component of the organization's activities is an important reason for membership (71 percent compared to 55 percent). Thus, trade/business/professional associations play an important role transferring industry-specific information generally, but it appears particularly important for those in industries requiring certification.

Conventions and Trade Shows

Conventions and trade shows are other activities often sponsored by or associated with business organizations. Both foster the dissemination of industry-specific information, including products and technologies, that members will likely find relevant as well as more general business-related information. While some conventions or trade shows may be massive, national gatherings, others are local, chapter functions. In the last 12 months, 53 percent of association members attended at least one convention or trade show sponsored by the organization they identified as most important to them (Q#2b). Forty-six (46) percent also indicated that they had attended a business-related convention or trade show sponsored by another organization, private business, etc. Thirty-three (33) percent attended at least one of both kinds while 34 percent attended neither.

Membership in an organization is not necessarily a requirement to attend a convention or trade show. Indeed, many are sponsored by groups other than business organizations. Thirty-two (32) percent of small employers who are not members of a business organization or professional association attended at least one in the last 12 months (Q#3). Thus, 48 percent of small employers report attending a convention and/or a trade show in the last year.

Small-business owners as a group think attending conventions and trade shows are a plus, but they do not appear wildly enthusiastic about them. Just 9 percent regard conventions and trade shows as essential to keeping abreast of industry and business developments (Q#4).

However, 64 percent think they are helpful, yielding a total of 73 percent offering positive marks. Ten (10) percent think them not helpful and 15 percent claim they are a waste of time and money.

Not surprisingly, those who attended at least one in the last year had a much more positive view of conventions and trade shows than those who did not. Fifteen (15) percent of attendees think they are essential while 75 percent think they are helpful. In contrast, 22 percent who did not attend termed them a waste of time and money and another 15 percent called them not helpful. No relationship appeared between attendance and one-year profitability or three-year change in employment, questioning the amount of help (or advantage) attendance actually provided.

Courses and Seminars

Thousands of seminars or courses are presented on business-related subjects daily. A small-business owner in a major metropolitan area could spend his life personally attending them, and that is before counts of Internet and correspondence courses are made. The opportunities in rural areas are not as great, but they still are substantial. Yet, most do not use them.

Thirty-six (36) percent of all small employers availed themselves of at least one course on a business-related subject that lasted at least four hours in the last year (Q#8). Those located in mid-sized to small cities were about 10 percentage points more likely to take one than small employers located in large metropolitan areas and their suburbs or rural areas.

The most frequent sponsor of the last course or seminar taken was a business or professional association. The latter sponsored the course/seminar in just over one-third (36%) of instances (Q#8a). The second most frequent sponsor was a supplier (26%). Suppliers often offer seminars on the use, repair, or installation of their product(s). These sessions can resemble a sophisticated version of the "do-it-yourself" classes held for consumers at Home Depot or Lowe's. The third most common sponsor is government (14%) followed by a school or university (11%). The eclecticism exhibited in these data indicates that small-business owners care considerably more about the subject, venue, etc., of the course/seminar than its sponsor.

The purpose of course/seminar attendance is most often (66%) a general upgrade of skills

(Q#8b). The upgrade could be either a general business skill, such as inventory accounting, or a technical skill, such as repair of a widget. Business/professional associations and suppliers disproportionately provided this latter type of course content. Another 25 percent took the course/seminar to get or stay certified or accredited. This type of training too was most commonly provided by business/professional associations and suppliers. However, it was the type of course/seminar government (N = 37) most often provided. Just 3 percent attended a course/seminar to resolve a specific problem or issue they faced.

Seventy-three (73) percent took the course face-to-face, in effect the traditional classroom, or in a field instructional location (Q#8c). The number rose to 84 percent among owners of the largest, small businesses. The Internet was used by one in five (20%). Five percent still used correspondence instruction.

A majority paid for their course, either personally or through the business, which is effectively the same thing. Fifty-nine (59) percent paid, 35 percent paid personally (Q#8d). However, 39 percent obtained it free. The two sources most likely to provide the course/seminar free were government and suppliers.

The subject matter of these courses/seminars was most often technical or professional issues. Forty-three (43) percent cited that topical area and a substantial number of the 9 percent who gave an “other” answer also identified topics that often seemed industry-specific (Q#8e). Further, the 10 percent who noted operations or purchases undoubtedly contain a large number thinking about industry-specific procedure and goods/services. The second most common issue area proved to be sales, marketing or customers (18%), problems likely associated with the lingering poor sales associated with the Great Recession. General topics that have broad applicability with the exception of marketing were not of frequent interest. For example, personnel or HR issues was the topic for only 4 percent. The same percentage identified legal matters.

Time Spent in Training

While 30 percent of owners spent less than one hour within the last 12 months attending or participating in a business-related course/seminar or training of some type, the median number of hours spent by those more engaged was about two days (16 hours) (Q#9). In fact,

more than one in five (22%) spent four or more days in courses and/or training over the last year. Employee size of business did not differentiate the amount of time their owners spent. A modest (not statistically significant) relationship does appear, however, between the amount of time spent and both increased profitability from the prior year and net employee additions over the last three years. Owners of younger businesses spent modestly more time engaged in these activities than did owners of older ventures.

Other Avenues

The Internet has opened a major new avenue to reach information, particularly technical information, that might not have been readily accessible previously. The new avenue not only allows the small employer to explore material in an up-to-date, world-wide library, but to interact with colleagues and exchange ideas or information. Forty-three (43) percent of owners claim that once a week or more they now go to a Web site(s) to ask a question or have an e-mail conversation about some aspect of their business, excluding the purchase of products or services (Q#8). Another 13 percent do so once or twice a month though 15 percent do it a few times a year. Just 28 percent indicate that they never do so.

A more traditional means of gathering information is business/professional/trade magazines and journals. Fifteen (15) percent subscribe to and read, at least in part, five or more of them with owners of the largest, small firms 10 percentage points more likely to do so than owners of the smallest, small firms (Q#10). Another 10 percent subscribe to and read four, 15 percent three, 20 percent two, and 11 percent one. But 28 percent subscribe and read none of them.

The medium appears not to be a critical issue. Those who use the modern technology, that is, the Internet, are also more likely to use the traditional means, that is, periodicals, more frequently and vice versa. For example, 55 percent who subscribe to five or more periodicals are also on the Internet several times a week. Meanwhile, 47 percent who do not read periodicals, also never use the Internet for reaching out to other owners and colleagues.

Final Comments

Policy-makers and business schools typically focus their business information and training

interests on general topics, those that can be employed by business owners regardless of industry. While that focus is understandable due to scale economies, it also is incomplete. Industry is a hugely important differential among businesses both in terms of the information small-business owners require to operate their firms and the channels they use to obtain it. Government required certification is only one example of that. The result is that owner questions and information requests are most frequently industry-specific with a public capacity to respond typically limited to non-industry-specific inquiries.

The transfer of industry-specific information occurs largely unnoticed outside members of the industry. Still, membership in trade/business/professional organizations, particularly those with an important education component, attendance at conventions and trade shows, consultation with suppliers and other business owners, trade journals, and now the capacity to go on the Internet to communicate rapidly and frequently with industry colleagues offer small-business owners the critical channels they need to fill their industry-specific information and education requirements. Whether these are adequate or sufficient to satisfy reasonable small-business demands likely varies by industry, and certainly by the individual owner.

Certification or credentialing, a minimum standard for industry-specific knowledge, is often sought by established business owners and their industry representatives both to upgrade the trade/profession and to protect its consumers. Sometimes, the idea actually works that way. Few would care to be operated on by an unlicensed surgeon. But, there are sometimes other, unspoken reasons for certification. Principal among these are limiting the number of entrants, which in turns raises selling prices to the advantage of incumbent firms, and freezing the state-of-the-art, which limits the costs associated with change also to the advantage of incumbent firms. Neither serves new business entrants or consumers well. The result is that certification is the proverbial “double-edged sword”. It forcibly raises the general level of industry-specific knowledge, though the amount it raises that level is an associated, but different question. Yet, it also curbs competition and innovation, though the amount it lowers that level is likewise an associated, but different question.

Certification & Industry-Specific Learning

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

Employee Size of Firm

	1-9 emp	10-19 emp	20+ emp	All Firms
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I. Must you or your business have some type of credential or skill certification in order to operate your business as you now do? That does NOT include a basic business license or tax ID.

1. Yes	48.6%	49.4%	45.7%	48.4%
2. No	49.4	49.4	52.8	49.7
3. (DK/Refuse)	2.0	1.2	1.4	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

Ia. Where did you primarily obtain the necessary knowledge or skills in order to acquire that credential or certification? Was it from:?

1. An apprenticeship or on-the-job training	26.2%	32.5%	28.1%	27.1%
2. A university or college	23.4	30.0	25.0	24.3
3. A trade or vocation school program	12.1	7.5	6.3	11.0
4. The military	2.4	—	—	1.9
5. A specific on-line or face-to-face course	6.9	2.5	3.1	6.1
6. Studied on your own	13.1	10.0	12.5	12.7
7. (Combination)	12.4	15.0	21.9	13.5
8. (DK/Refuse)	3.4	2.5	3.1	3.3
Total	100.0%	100.0%	100.0%	100.0%
N	194	97	83	374

Ib. Must you take continuing education-type training or courses every year or two in order to keep your credential or certification?

1. Yes	51.7%	60.0%	63.6%	53.7%
2. No	48.3	40.0	36.4	46.3
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	194	97	83	374

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

1b1. Do you take continuing education-type training or courses every year or two anyway?

1. Yes	41.7%	—%	—%	41.7%
2. No	57.9	—	—	57.7
3. (DK/Refuse)	0.7	—	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	97	39	26	162

2. How many business, trade or professional organizations are you or the business a member of?

1. None; zero	30.8%	23.8%	16.9%	28.7%
2. One	19.3	20.0	14.1	18.9
3. Two	18.8	13.8	15.5	17.9
4. Three	12.7	13.8	14.1	13.0
5. Four	9.7	8.8	12.7	9.9
6. Five	2.0	6.3	8.5	3.1
7. Six or more	3.5	8.8	11.3	4.8
8. (Lots, many, etc.)	0.3	—	1.4	0.4
9. (DK/Refuse)	2.9	5.0	5.6	3.3
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

2a. Think of the ONE organization most important to you. Does it offer a business, technical or professional training or education program, one that helps you upgrade your business or professional knowledge and skills?

1. Yes	62.7%	64.5%	70.0%	63.7%
2. No	33.2	32.3	26.7	32.3
3. (DK/Refuse)	4.1	3.2	3.3	3.9
Total	100.0%	100.0%	100.0%	100.0%
N	279	144	142	565

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

2a1. Is this business, technical or professional education or training program the only reason for your membership in that organization, a very important reason, a reason, not an important reason, or not a reason for your membership?

1. Only reason	7.3%	10.3%	7.1%	7.6%
2. Very important reason	44.0	38.5	35.7	42.4
3. A reason	15.1	12.8	19.0	15.3
4. Not an important reason	15.4	17.9	19.0	16.2
5. Not a reason	17.4	20.5	16.7	17.6
6. (DK/Refuse)	0.8	—	2.4	0.9
Total	100.0%	100.0%	100.0%	100.0%
N	177	90	98	365

2a2. Does this organization offer a credential or certification?

1. Yes	56.8%	62.5%	59.5%	57.8%
2. No	39.8	35.0	38.1	39.0
3. (DK/Refuse)	3.5	2.5	2.4	3.2
Total	100.0%	100.0%	100.0%	100.0%
N	177	90	98	365

2b. In the last 12 months did you attend a convention or trade show sponsored by this organization?

1. Yes	52.9%	55.0%	47.6%	52.5%
2. No	46.3	45.0	52.4	46.9
3. (DK/Refuse)	0.8	—	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	177	90	98	365

2c. In the last 12 months did you attend a convention or trade show on a business-related topic sponsored by any OTHER business organization, private group, or governmental unit?

1. Yes	44.2%	52.5%	54.8%	46.5%
2. No	55.0	47.5	45.2	52.9
3. (DK/Refuse)	0.8	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	177	90	98	365

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

3. In the last 12 months, did you attend a convention or trade show on a business-related topic?

1. Yes	30.2%	41.5%	48.4%	32.7%
2. No	69.8	58.5	51.6	67.3
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	213	99	73	385

4. As a general rule, do you think that attendance at conventions and trade shows is essential to keep abreast of business and industry developments, helpful, not helpful or a waste of time and money?

1. Essential	8.9%	13.6%	11.0%	9.6%
2. Helpful	63.0	59.3	71.2	63.4
3. Not helpful	9.7	9.9	6.8	9.5
4. A waste of time and money	15.6	14.8	8.2	14.8
5. (DK/Refuse)	2.8	2.5	2.7	2.8
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

5. What is your highest level of formal education?

1. Did not complete high school	2.3%	2.5%	—%	2.1%
2. High school diploma/ GED	21.8	18.5	8.2	20.1
3. Some college or an associate's degree	26.3	23.5	28.8	26.2
4. Vocational or technical school degree	4.4	4.9	4.1	4.4
5. College diploma	31.7	29.6	34.2	31.7
6. Advanced or professional degree	12.6	19.8	24.7	14.5
7. (DK/Refuse)	1.0	1.2	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

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

5a. What was your primary area of study when earning your highest degree?

1. Business (Management, Marketing, Finance)	42.4%	53.7%	51.2%	44.8%
2. Social Sciences (History, Economics, Political Sci., Geography)	12.5	9.8	9.3	11.8
3. Physical Sciences (Chemistry, Physics, Geology, Math, Computer)	4.9	9.8	7.0	5.7
4. Biological Sciences (Biology, Botany)	5.3	4.9	2.3	4.9
5. Fine Arts (Art, Music, Literature, Language, Philosophy)	9.5	4.9	4.7	8.3
6. Engineering	11.4	7.3	11.6	10.9
7. Law	4.5	2.4	4.7	4.3
8. Medicine	3.8	2.4	2.3	3.4
9. (DK/Refuse)	5.7	4.9	7.0	5.8
Total	100.0%	100.0%	100.0%	100.0%
N	173	92	99	364

5b. Are you actively pursuing a/another college or university degree at this time?

1. Yes	3.0%	4.9%	4.1%	3.3%
2. No	97.0	95.1	95.9	96.7
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

6. How many years experience do you have working in your industry as an employee and/or owner?

1. None	0.7%	1.2%	—%	0.7%
2. 1 – 3 years	5.2	6.2	6.9	5.5
3. 4 – 6 years	4.2	6.2	4.2	4.4
4. 7 – 9 years	4.4	3.7	5.6	4.4
5. 10 – 14 years	7.7	7.4	9.7	7.9
6. 15 – 19 years	8.7	7.4	6.9	8.4
7. 20 – 29 years	29.2	23.5	22.2	27.9
8. 30 years or more	39.8	44.4	43.1	40.6
9. (DK/Refuse)	—	—	1.4	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

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

7. Excluding purchase of products or services, how often do you go to a Web site to ask a question about some aspect of your business? Would you say you do that about:?

1. Once a week or more	42.0%	45.7%	48.6%	43.1%
2. Once or twice a month	12.4	13.6	16.7	12.9
3. A few times a year	15.7	13.6	9.7	14.9
4. Never	28.3	27.2	25.0	27.9
5. (DK/Refuse)	1.5	—	—	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

8. In the last 12 months, have you taken at least one course or seminar in any setting on a subject that related to this business and lasted at least FOUR hours in total?

1. Yes	34.0%	38.3%	45.2%	35.6%
2. No	64.7	60.5	54.8	63.2
3. (DK/Refuse)	1.3	1.2	—	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

8a. Think of the most recent one you took. Was it sponsored by a supplier, a business or professional association, a government organization, or a school or university?

1. Supplier	26.2%	26.7%	25.8%	26.2%
2. Business/Professional association	33.7	40.0	45.2	35.7
3. Governmental unit	13.9	6.7	19.4	13.7
4. School or university	9.9	10.0	9.7	9.9
5. (Subject-matter expert)	3.0	10.0	—	3.4
6. (Other)	8.4	3.3	—	6.8
7. (Joint sponsorship)	1.5	3.3	—	1.5
8. (DK/Refuse)	3.5	—	—	2.7
Total	100.0%	100.0%	100.0%	100.0%
N	137	72	76	285

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

8b. Did you take it to:?

1. Get or stay certified or accredited	25.5%	26.7%	27.3%	25.8%
2. Resolve a specific problem or issue	2.0	6.7	6.1	3.0
3. Generally upgrade your skills	67.6	63.3	63.3	66.7
4. (DK/Refuse)	4.9	3.3	3.0	4.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	137	72	76	285

8c. Was the course or seminar given face-to-face, over the Internet, or by correspondence?

1. Face-to-face	70.9%	74.2%	84.4%	72.9%
2. Internet	21.7	22.6	12.5	20.7
3. Correspondence	4.9	3.2	3.1	4.5
4. (Combination)	1.5	—	—	1.1
5. (DK/Refuse)	1.0	—	—	0.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	137	72	76	285

8d. Did you pay for the course or seminar or was it free?

1. I paid for it personally	36.0%	31.3%	30.3%	34.7%
2. The business paid for it	23.2	28.1	30.3	24.6
3. It was free	38.9	40.6	39.4	39.2
4. (DK/Refuse)	2.0	—	—	1.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	137	72	76	285

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

8e. Which BEST describes the general subject matter for the course or seminar? Was it about?:

1. Personnel or HR	2.9%	3.0%	8.8%	3.7%
2. Legal	3.9	3.0	5.9	4.1
3. Technical or professional issues	42.6	48.5	38.2	42.8
4. Finance	6.9	3.0	2.9	5.9
5. Operations/Purchases	9.3	3.0	20.6	10.0
6. Sales, marketing, or customers	19.1	12.1	17.6	18.1
7. Expansion, contraction, firm sale or closure	2.9	3.0	—	2.6
8. The family	0.5	3.0	—	0.7
9. Other	8.3	15.2	2.9	8.5
10. (DK/Refuse)	3.5	6.0	2.0	3.7
Total	100.0%	100.0%	100.0%	100.0%
N	137	72	76	285

9. Within the last 12 months, about how many hours did you spend attending, or on-line, in an education or training session? An estimate is fine.

1. < 1 hour	30.3%	30.9%	27.8%	30.1%
2. 1 – 2 hours	7.7	4.9	6.9	7.3
3. 3 – 4 hours	5.2	6.2	5.6	5.3
4. 5 – 8 hours	7.0	6.2	8.3	7.1
5. 9 – 16 hours	13.2	12.3	18.1	13.6
6. 17 – 24 hours (2 – 3 days)	9.7	11.1	6.9	9.6
7. 25 – 40 hours (4 – 5 days)	8.9	14.3	9.7	9.3
8. Over 40 hours	13.0	11.1	13.9	12.9
9. (DK/Refuse)	5.0	4.9	2.8	4.8
Total	100.0%	100.0%	100.0%	100.0%
N	390	187	171	750

10. About how many business or professional magazines do you currently subscribe to and read at least partially?

1. Zero, none, don't subscribe or read	28.3%	28.4%	23.9%	27.9%
2. One	10.9	11.1	11.3	10.9
3. Two	20.4	14.8	16.9	19.5
4. Three	14.7	19.8	15.5	15.4
5. Four	10.6	6.2	8.5	9.9
6. Five or more	13.6	19.8	23.9	15.2
7. (DK/Refuse)	1.5	—	—	1.2
Total	100.0%	100.0%	100.0%	100.0%
N	390	187	171	750

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

Demographics

D1. Which best describes your position in the business? Are you the:?

1. Owner/Manager	87.8%	79.0%	74.0%	85.5%
2. Owner, but not the manager	4.5	6.2	8.2	5.1
3. Manager, but not an owner	7.7	14.8	17.8	9.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D2. Please tell me your age.

1. < 25 years	1.5%	1.2%	1.4%	1.5%
2. 25 – 29 years	2.0	3.7	5.4	2.5
3. 30 – 34 years	3.0	2.5	5.4	3.2
4. 35 – 39 years	4.4	6.2	5.4	4.7
5. 40 – 44 years	9.2	9.9	10.8	9.4
6. 45 – 49 years	12.1	17.3	14.9	12.9
7. 50 – 54 years	12.2	13.6	14.9	12.6
8. 55 – 59 years	18.6	13.6	13.5	17.6
9. 60 – 64 years	16.8	9.9	9.5	15.3
10. 65 – 70 years	6.4	8.6	5.4	6.5
11. 71 – 75 years	3.4	3.7	2.7	3.3
12. 76 years or more	4.0	6.2	6.8	4.5
13. (Refuse)	6.5	3.7	4.1	6.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D3. Sex (voice identification)

1. Male	68.5%	74.1%	78.1%	70.0%
2. Female	31.5	25.9	21.9	30.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D4. How long have you owned/operated this business?

1. < 5 years	13.2%	18.5%	16.7%	14.1%
2. Five – nine years	16.1	9.9	13.9	15.2
3. 10 – 14 years	14.7	17.3	15.3	15.1
4. 15 – 19 years	9.9	7.4	11.1	9.7
5. 20 – 29 years	21.3	18.5	16.7	20.5
6. 30 – 39 years	11.1	16.0	11.1	11.6
7. 40 years or more	11.6	8.6	9.7	11.1
8. (DK/Refuse)	2.2	3.7	5.6	2.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

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

D5. In the next three to five years, do you want this business to grow a lot, grow a little, stay about the same size, contract a little or contract a lot?

1. Grow a lot	34.3%	40.2%	43.2%	35.9%
2. Grow a little	29.8	34.1	33.8	30.7
3. Stay the same	25.1	18.3	16.2	23.5
4. Contract a little	3.7	—	1.4	3.1
5. Contract a lot	3.5	2.4	2.7	3.3
6. (DK/Refuse)	3.5	4.9	2.7	3.6
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D5a. About how many people in total would you like to employ three to five years from now? (Calculated as a percentage of current employment.)

1. Contract	8.9%	9.9%	12.3%	9.3%
2. Unchanged	34.9	24.7	23.3	32.7
3. 1 – 99 percent growth	14.1	37.0	38.4	18.1
4. 100 – 199 percent growth	12.2	11.1	6.8	11.6
5. 200 – 299 percent growth	6.5	2.5	2.7	5.7
6. 300 percent growth or more	13.3	2.5	1.4	10.9
7. As large as possible; 1,000 employees or more	2.5	1.2	5.5	2.7
8. (DK/Refuse)	8.6	11.1	9.6	8.9
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D6. Not counting the owners, how many people did this business employ about this time of year three years ago, that is, 2008? (Calculated as employment growth between 2008 and the present.)

1. Added 20 employees or more	0.8%	1.4%	6.8%	1.5%
2. Added 10 – 19 employees	5.7	5.8	8.1	5.7
3. Added 2 – 9 employees	20.2	24.6	8.1	19.1
4. Added 1 – Lost 1	52.2	34.8	23.0	46.8
5. Lost 2 – 9 employees	5.0	24.6	16.2	8.3
6. Lost 10 – 19 employees	—	32.5	8.1	1.1
7. Lost 20 employees or more	—	2.9	10.8	1.1
8. Not in business three years ago	11.8	4.3	13.5	12.4
9. (DK/Refuse)	4.2	5.8	5.4	4.0
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

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

D7. Does at least one other person also own more than 10 percent of this business? (Asked only of owners.)

1. Yes	44.7%	55.7%	58.3%	47.1%
2. No	54.9	44.3	38.3	52.4
3. (DK/Refuse)	0.4	—	3.4	0.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	158	134	647

D8. Is your primary business activity:?

1. Agriculture, forestry, fishing	7.9%	7.2%	5.6%	7.6%
2. Construction	13.1	12.0	8.3	12.5
3. Manufacturing and mining	8.9	14.5	12.5	9.9
4. Wholesale trade	9.2	10.8	4.2	8.9
5. Retail trade	17.6	20.5	23.6	18.5
6. Transportation and Warehousing	3.5	3.6	8.3	4.0
7. Information	1.8	1.2	1.4	1.7
8. Finance and Insurance	3.5	1.2	2.8	3.2
9. Real Estate and Rental/Leasing	3.7	1.2	1.4	3.2
10. Professional, Scientific, and Technical Services	9.9	2.4	8.3	8.9
11. Administrative and Support, Waste Management, or Remediation Services	1.8	2.4	—	1.7
12. Education Services	1.8	4.8	2.8	2.3
13. Health Care and Social Assistance	3.4	3.6	6.9	3.7
14. Arts, Entertainment, and Recreation	0.3	2.4	1.4	0.7
15. Accommodations and Food Services	1.2	3.6	2.8	1.6
16. Repair and Maintenance Services or Personal Care Services	6.4	2.4	6.9	6.0
17. Other	6.0	6.2	2.8	5.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D9. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?

1. Yes	35.4%	11.1%	9.6%	30.3%
2. No	63.3	87.7	90.4	68.5
3. (DK/Refuse)	1.4	1.2	—	1.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

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

D10. Which of the following best describes the place the business is located?

1. Highly urban city	7.4%	17.5%	16.4%	9.3%
2. Suburb of highly urban city	18.6	18.8	20.5	18.8
3. Mid-sized city of about 250,000 or surrounding area	13.4	11.3	15.1	13.4
4. Small city of about 50,000 or surrounding area	15.6	15.0	13.7	15.4
5. Town or rural area	42.6	35.0	31.5	40.7
6. (DK/Refuse)	2.4	2.5	2.8	2.4
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D11. Region (developed from zip codes)

1. Northeast	19.0%	18.5%	16.9%	18.7%
2. Southeast	21.5	14.8	15.5	20.2
3. Mid-West	23.0	30.9	31.0	24.6
4. Central	22.7	21.0	21.1	22.4
5. West	13.8	14.8	15.5	14.1
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

D12. Compared to last year at this time, is this business currently much more profitable, somewhat more profitable, about as profitable, less profitable, or much less profitable?

1. Much more profitable	11.1%	12.3%	19.4%	12.0%
2. Somewhat more profitable	19.5	23.5	26.4	20.6
3. About as profitable	37.9	38.3	31.9	37.4
4. Somewhat less profitable	14.6	12.3	12.5	14.2
5. Much less profitable	14.3	9.9	5.6	13.0
6. (DK/Refuse)	2.7	3.7	4.2	2.9
Total	100.0%	100.0%	100.0%	100.0%
N	390	189	171	750

Table Notes

1. All percentages appearing are based on **weighted** data.
2. All "Ns" appearing are based on **unweighted** data.
3. Data are not presented where there are fewer than 50 unweighted cases.
4. ()s around an answer indicate a volunteered response.

WARNING – When reviewing the table, care should be taken to distinguish between the percentage of the population and the percentage of those asked a particular question. Not every respondent was asked every question. All percentages appearing on the table use the number asked the question as the denominator.

Data Collection Methods

The data for this survey report were collected for the NFIB Research Foundation by Left Right Research of Ronkonkoma, New York. The interviews for this edition of the *Poll* were conducted in March and April 2011 from a sample of small employers. “Small employer” was defined for purposes of this survey as a business owner employing no fewer than one individual in addition to the owner(s) and no more than 250.

The sampling frame used for the survey was drawn at the Foundation’s direction from the files of the Dun & Bradstreet Corporation, an imperfect file but the best currently available for public use. A random stratified sample design is typically employed to compensate for the highly skewed distribution of small busi-

ness owners by employee size of firm (Table A1). Almost 60 percent of employers in the United States employ just one to four people meaning that a random sample would yield comparatively few larger, small employers to interview. Since size within the small-business population is often an important differentiating variable, it is important that an adequate number of interviews be conducted among those employing more than 10 people. The interview quotas established to achieve these added interviews from larger, small-business owners are arbitrary but adequate to allow independent examination of the 10-19 and 20-250 employee size classes as well as the 1-9 employee size group.

TABLE A1
SAMPLE COMPOSITION UNDER VARYING SCENARIOS

Employee Size of Firm	Expected from Random Sample*		Obtained from Stratified Random Sample			
	Interviews Expected	Percent Distribution	Interview Quotas	Percent Distribution	Completed Interviews	Percent Distribution
1-9	593	79	350	47	390	52
10-19	82	11	200	27	189	25
20+	75	10	200	27	171	23
All Firms	750	100	750	101	750	100

* Sample universe developed from the Bureau of the Census (2007 data) and published by the Office of Advocacy at the Small Business Administration.

The Sponsor

The **NFIB Research Foundation** is a small-business-oriented research and information organization affiliated with the National Federation of Independent Business, the nation's largest small and independent business advocacy organization. Located in Washington, DC, the Foundation's primary purpose is to explore the policy-related problems small-business owners encounter. Its periodic reports include **Small Business Economic Trends**, **Small Business Problems and Priorities**, and now the **National Small Business Poll**. The Foundation also publishes ad hoc reports on issues of concern to small-business owners.

The study was conducted with support from the **Goldman Sachs Foundation's 10,000 Small Businesses**, a \$500 million initiative designed to help small businesses create jobs and economic growth by providing greater access to business education, financial capital and business support services. More information about **10,000 Small Businesses** can be found at, gs.com/10000smallbusinesses.



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