



# National Small Business Poll

NEIB National

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2003

## Small Business Poll

*Membership in Business Organizations*

# NFIB National Small Business Poll

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The *National Small Business Poll* is a series of regularly published survey reports based on data collected from national samples of small-business employers. Eight reports are produced annually with the initial volume 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](http://www.nfib.com/research)) without charge. 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. It must be emphasized that these data sets do NOT contain information that reveals the identity of any respondent. Custom cross-tabulations will be conducted at cost only for NFIB members on a time available basis. Individuals wishing to obtain a data set(s) should write the *Poll* at the above address identifying the prospective use of the set and the specific set desired.

NFIB National  
Small Business  
Poll



# *Membership in Business Organizations*

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## *Membership in Business Organizations*

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# Executive Summary

- Fifty-eight (58) percent of small-business owners belong to one or more business organizations and 42 percent belong to more than one. The owners of larger, small businesses are significantly more likely to be members, and members of more than one organization, than are owners of smaller, small firms.
- The most important business organization for 45 percent of small-business owners is a national or international group, though 28 percent consider theirs to be a state or regional organization, and 26 percent a local or neighborhood association. Sixty-three (63) percent classify their most important organization as a trade or professional association, 26 percent a general business group, and 8 percent a booster or promotional organization.
- Fourteen (14) percent say that they are very active in their most important business organization.
- The most important benefits of a business organization to current members are: informs you about government rules and obligation, promotes your industry or community, and provides technical information specific to your industry. The least important benefits are: social activities, supports one or more charitable activities, and makes you part of a group that can purchase discounted goods and services.
- The relative attractiveness of organization benefits to those who are non-members generally parallel important benefits to members. The primary exception is makes you part of a group that can purchase discounted goods and services. The group purchasing benefit is of broad interest to non-members, but not to members. However, the overall importance of organizational benefits is less for non-members than members.
- Association members are divided over the most important type of information they receive from their business organizations. Twenty-four (24) percent report their choice is new technologies and the latest way of doing things, 23 percent cite their specific industry's news and information, 22 percent note applicable laws and regulations, and 18 percent prefer information about markets and customers. Non-members have greatest difficulty locating information about applicable laws and regulations (32%) and markets and customers (21%).
- Forty-three (43) percent of members annually attend conferences, seminars, meetings, etc., sponsored by business organizations that require them to be away from home for at least two nights. The most important benefits received from attendance at these gatherings are continuing education (49%) and networking opportunities (29%).
- The most single important reason that owners do not belong to a business organization is few or no visible benefits from membership (40%), they are not "joiners" (22%), and they have not had time to look into it (21%). Nineteen (19) percent terminated membership in one or more business organizations within the last three years. The most frequent reason given for termination (45%) is that the benefits are not worth the cost of membership.

# Membership in Business Organizations

Small-business owners join over 14,000 national business, trade and professional organizations each year and a vastly greater number of regional, state, community and neighborhood associations. The purposes and activities of these organizations vary enormously; the size and geographic focus do as well. The sophistication and professionalism of paid staff (and unpaid volunteers as the case may be) also run the gamut. But one thing all business organizations have in common is that they function as information exchanges, places where business-related information is formally or informally traded in order to advance the members' commercial interests. At times, a business organization is virtually the only place where current industry-specific information can be found. This is particularly true in small, technically oriented industries. Still, many business organizations as well as general purpose clubs, fraternal organizations, etc., have fallen on hard times and lost members or folded. The reasons for this situation are not entirely clear. Yet, these groups play such an important role for so many small-business owners that this issue of the *National Small Business Poll* focuses on membership in business organizations.

## Members and Non-members

Nearly three of five (58%) small employers report that they personally or their firms are members of at least one business organization (Q#1). Members of at least one organization are highly likely to be a member of more than one. Just 28 percent of members say that they belong to only one organization while 32 percent belong to two (Q#2); another 20 percent belong to three. In fact, 19 percent of organization members, or 11 percent of the total small employer population, belong to four or more business associations. If a member of at least one organization, small employers belong to an average of about two and one-third. If a member of at least one and also employing 20 people or more, small employers belong to an average of three and one-half business organizations

Employee size-of-firm is related to membership in business organizations. The contrast between owners of relatively small firms and the remainder is stark. Those employing more than 10 people are almost twice as likely to be a member as are those employing 1-4. However, size makes notably less difference beyond a 10 employee breakpoint. Over four in five are members once above the 10 employee level and nearly nine of 10 are members once the 20 employee level is breached.

## Types of Organizations

The survey asked respondents about the organization to which they belonged, or in the case of those belonging to more than one, the organization that is most important to them. Forty-six (46) percent say that their only or most important organization is a

national or international group (Q#2a). The responses show virtually no variation by size of firm owned. Owners of the smallest were just as likely to say that a national organization is their most important as were owners of the largest. The remainder are almost equally divided between those with primary allegiance to a state or regional organization (28%) and those with one to a local or neighborhood group (26%).

Sixty-three (63) percent characterize their most important organization as a trade or professional association, that is, a group whose members have similar technical or industry interests (Q#2a1). Examples are the National Restaurant Association, the Printing Industries of America, and the American Medical Association. These organizations customarily cut across firm size, meaning that very large businesses as well as the very small are members. The second most frequent type of most important organization is a general business organization. Just over one in four (26%) cite them as their most important. The National Federation of Independent Business and the national Chamber of Commerce fit this characterization. The relevant point here is that members of these groups cut across industry and professional distinctions. The type of organization least frequently mentioned as most important is a promotional or booster organization. Eight percent list this type of group as their most important. Typical is a neighborhood or shopping area business association.

The scope and nature of organization questions were repeated for those who belong to at least two organizations. This time the questions referred to the organization that the respondent classified as the second most important. The results are similar to those for the most important group, though locally-oriented organizations are more frequently mentioned. Forty-one (41) percent reported that their second most important group is national or international while 34 percent said it is local or neighborhood (Q#2b). Just 24 percent identified theirs as state or regional.

Most (58%) also characterize their second most important organization as a trade or professional association (Q#2b1). Thirty (30) percent classify it as a business organization and just 7 percent describe it as a booster or promotional group.

Organizations need volunteers even when they employ paid staff. That means member volunteers are critical to the success of organizations. Fourteen (14) percent of member small-business owners consider themselves “very active” in their most important business organization/association, the top rank on a five-point activism scale (Q#2a2). That percentage is equivalent to about 470,000 small-business owners. Meanwhile, 8 percent say that they are “very active” in their second most important organization. That percentage translates into 200,000 owners. There is virtually no overlap. Those very active in one are not likely to be very active in another. Since the questionnaire did not define the term “active” for the respondent, the extent of involvement/participation remains an open question. Still, the numbers show that comparatively few members of organizations, even the individual’s most important, are very active in them.

## Desired Benefits from a Business Organization

Organization members were asked the importance (desirability) of each of 12 benefits (activities) that an organization might conduct or carry out. For those who are not currently members, the survey framed the same questions in terms of attractiveness of the 12 benefits (activities) if they were to consider being a member of a business organization. Respondents ranked each listed benefit on a scale of 1 (not at all important/not at all attractive) to 5 (very important/highly attractive).

### *a. Members*

Some benefits or activities are substantially more preferable to small-business owners than are others. The most important benefits business organizations provide in order of preference are (average scores on the 1 - 5 scale appear behind the benefit):

- Informs you about government rules and obligations (3.9) (Q#3L),
- Promotes your industry or community (3.9) (Q#3E),
- Provides technical information specific to your industry (3.7) (Q#3I),
- Represents you or involves you in government matters or public policies that affect your business (3.7) (Q#3B),

- Provides an opportunity to network with other business owners (3.6) (Q#3A),
- Develops industry standards or procedures (3.6) (Q#3D),
- Sponsors a continuing education type program (3.5) (Q#3J),
- Offers useful management or marketing ideas (3.3) (Q#3F),
- Holds trade shows (3.0) (Q#3H),
- Makes you part of a group that can purchase discounted goods or services (2.9) (Q#3C),
- Supports one or more charitable activities (2.9) (Q#3K), and
- Has social activities (2.3) (Q#Q3G).

The organizational benefit priorities of members correspond most closely to the functions of a trade or professional association. Note that two of the three top priorities, and arguably all three, involve industry specific activity. Providing technical information specific to the industry is the most obvious example, and promoting your industry or community is probably another. Even government rules and obligations are often highly industry specific. More general functions such as useful management or marketing information or discounted purchasing, benefits typically found in a general business organization, are rated lower.

Just four activities were assessed at 3.0 (the mid-point) or below. All tend to be ancillary to the fundamental functions of a business association. For example, while many, if not most, business organizations involve themselves in some type of charitable activities, it is not often a central reason for joining a business group.

### *b. Non-Members*

The evaluations of members and non-members regarding benefit importance/attractiveness do not vary appreciably. They both seem to prefer (and not prefer) the same things. The order of desirable benefits to members is similar to the order expressed by non-members. A major exception is: makes you a part of a group that allows you to purchase discounted goods and services. Members ranked the benefit tenth most desirable (out of 12) while non-members ranked its attractiveness fourth.

Despite similarities in benefit priorities, members rated organizational benefits

notably higher (more valuable) on average than did non-members. For example, members scored their highest rated benefit at 3.9 (out of 5) on average and 43 percent considered it “very important.” In contrast, non-members scored their most attractive benefit as 3.3 while 32 percent termed it “highly attractive.” The same occurred for those benefits evaluated as least important or attractive. Members saw them as more important than non-members as would be expected.

The following is a list in order of those organizational benefits non-members consider to be most attractive:

- Provides technical information specific to your industry (3.3) (Q#9I),
- Promotes your industry or community (3.3) (Q#9E),
- Informs you about government rules and obligations (3.2) (Q#9L),
- Makes you part of a group that can purchase discounted goods or services (3.1) (Q#9C),
- Provides an opportunity to network with other business owners (3.1) (Q#9A),
- Offers useful management or marketing ideas (3.1) (Q#9F),
- Represents you or involves you in government matters or public policies that affect your business (2.9) (Q#9B),
- Develops industry standards or procedures (2.8) (Q#9D),
- Sponsors a continuing education type program (2.7) (Q#9J),
- Supports one or more charitable activities (2.7) (Q#9K),
- Holds trade shows (2.4) (Q#9H), and
- Has social activities (1.9) (Q#Q9G).

### **Provision of Information**

A primary function of business organizations is to either transmit information or facilitate its transmission. Organizations adopt various strategies to perform these functions, but most employ similar vehicles. When asked from where most of the useful information that they receive from membership in a business organization or trade group comes, 50 percent of small-business owners cite the organization’s magazines and newsletters (Q#5). These are the standard communication vehicles for almost all organizations. The second most frequent choice (20%) is networking. The

networking answer obviously implies that members attend and find valuable (at least relatively so) meetings and/or conferences. More will be said of this later. Eighteen (18) percent note continuing education type activities. In the current context, continuing education is vague, but implies an on-going series or sequence of training sessions, perhaps even leading to certification of some type. Organizational Web sites generate least interest. Just 8 percent find them of greatest value. This datum is consistent with other data regarding small-business owner use of the Internet.

### *a. Types of Information*

While the priority of information sources appears clear, the content of the information found valuable varies. Respondents divided their highest three priorities for information content almost equally. Twenty-four (24) percent reported that “new technologies and the latest ways of doing things” is the single most important type of information that they obtain through membership in a business organization or trade/professional association (Q#6). “Your specific industry’s news and information” polled next (23%) followed by “applicable laws and regulations” (22%). All three, collectively constituting 69 percent of responses, are arguably highly industry specific. The possible exception is new technologies and the latest ways of doing things. That response could cut across industry lines. The fourth most frequent response, just short of the three leaders at 18 percent, is markets and customers. That response is not necessarily industry specific, particularly if the interest is marketing techniques rather than issues with specific customers. Last on the list is general business skills (9%).

The survey posed a parallel question to non-members. It asked them for the single most important type of business information that they have trouble acquiring, and then offered the same set of responses that was provided members. The answers of non-members generally were more focused, though a substantial number could provide no answer. The most frequently mentioned type of information that non-members had difficulty acquiring is applicable laws and regulations. Thirty-one (31) percent said that this type of government-oriented

information is the most difficult for them to find (Q#10). Twenty-one (21) percent identified information about markets and customers. Only 12 percent listed new technologies and the latest developments, about half the frequency of members. Again, the type of information least frequently considered difficult to acquire involves general business skills (9%).

### *b. Meetings*

Common wisdom holds that small-business owners do not attend meetings; common wisdom is wrong. Forty-three (43) percent of members said that in the last year they attended a conference, seminar, meeting, trade show, etc., sponsored by a business organization or trade/professional association requiring them to spend at least two nights away from home (Q#4). That means that during an economically poor year approximately one in four small employers attended out-of-town meetings or their equivalent requiring at least a two-night stay. All association sponsored meetings small-business owners attend are obviously neither out-of-town, nor do they require a two-night stay. Therefore, the number who attend organization sponsored meetings of any type is probably substantially higher. The survey did not gather any information on that issue.

Most who attended the organization-sponsored sessions report that the primary benefit they received was continuing education, that is to say, staying on top of trends, developments, technologies, etc. Half (50%) cite this benefit (Q#4a). Twenty-nine (29) percent believe that networking opportunities was the primary benefit they received. Another 19 percent noted attendance or participation in a trade show, and virtually none (1%) used them primarily as a reason to get away.

## **Rejecting Membership in Business Organizations**

Small-business owners can reject business organizations either by not joining them in the first place or by quitting them after they have once become a member.

Over 2.3 million small employers are not members of a business organization. The most frequent reason (40%) that they do not join is that organizations have few or no visible

benefits (Q#8). The survey did not address the response further. The second most frequent answer (22%) is that respondents claim not to be “joiners,” closely followed (20%) by the rationale that they have not yet had time to look into membership. The next most frequent reason is that membership is too expensive (9%). A small percentage offered other reasons or did not respond.

Nineteen (19) percent terminated membership in at least one business organization over the last three years (#Q7). If this group dropped only one organization each over that period, it would amount to approximately 350,000 cancellations annually. Since this estimate does not capture multiple quits nor the experience of closed businesses, it understates the number who leave every year.

The most frequent reason given for quitting a business organization is that the benefits are not worth the expense of belonging. Nearly 45 percent cited the reason (Q#7a). Another 20 percent believed that the organization failed to fulfill membership promises. Roughly the same number (13%) listed insufficient time and expense as their primary reason with just 6 percent saying that they really did not want to be a member in the first place.

## Final Comments

Membership in business organizations is closely related to business size. Owners of larger, small businesses are almost universally members of at least one organization, and more likely are members of two or more. One can reasonably speculate, therefore, that information gathered and other benefits received through organization membership(s) helped, at least in part, those businesses achieve a larger size. The data presented here can neither confirm nor deny a causal relationship, but they do leave a plausible hypothesis.

A curious, associated issue is the difference small-business owners see in the value of business organizations and the reasons for it. Some organizations are more responsive to member needs and wishes than are others. Organizational responsiveness likely accounts for some of the differences in perceived value of business associations in general. Yet, member dues are usually modest, particularly for owners of smaller firms. A

possible explanation is that many find the real value of membership is not just belonging, but attending events such as annual conventions. However, events can be expensive. A two-night out-of-town meeting can run well over \$1,000 with registration, hotel, food, and transportation. If cost freezes out owners of smaller firms from the most valuable benefit of membership, it is little wonder that they join less frequently and are more likely to say that they do not belong due to a lack of perceived benefits. Likely related is the perceived need of association executives for non-dues revenue. One way to do that is with relatively expensive events. The effect is to target an organization’s program to larger, small firms.

Business organizations serve unique functions for business owners that virtually no other type of institution is organized to provide. This is particularly true for trade associations where industry-specific knowledge is the staple. While countless consultants and professional advisors can provide valuable help regarding management, marketing and accounting techniques, few have adequate industry familiarity to advise on the relative merits of various pieces of equipment, appropriate distributions of inventory, seasonal effects, and so on. Industry associations through its members can. Less industry specific organizations serve other useful functions such as bringing the benefit of large numbers to a particular issue or problem. Sponsorship of group insurance plans, support/opposition for various public policies, and joint promotions are just three examples.

Belonging to a business organization(s) is not likely to be the most important action that a small-business owner will take in creating a successful firm. But business organizations and trade associations are an important part of the business landscape and provide benefits, particularly informational benefits, that many more could profit from than currently do.

# Membership in Business Organizations

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

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
<b>1. Are you, or is your business, a member of a business organization, trade or professional association, local Chamber of Commerce or a similar business group?</b>				
1. Yes	50.9%	81.4%	87.2%	57.8%
2. No	48.6	18.6	12.8	41.9
3. (DK/Refuse)	0.5	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757
<b>2. How many such business, trade or professional organizations are you or your business a member of? (If “Yes” in Q#1.)</b>				
1. One	30.9%	27.9%	14.7%	28.0%
2. Two	34.6	30.9	22.1	32.2
3. Three	18.5	20.6	26.5	20.0
4. Four	7.7	11.8	11.8	8.9
5. > than four	7.4	7.4	23.5	9.8
6. (DK/Refuse)	0.9	1.5	1.5	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	175	519
<b>2a. (Think of the one organization that is most important to you.) How would you characterize the organization? Is it a:?</b>				
1. National or international organization	46.0%	45.7%	45.6%	45.9%
2. State or regional organization	28.1	28.6	26.5	27.9
3. Local or neighborhood organization	25.3	25.7	27.9	25.8
4. (DK/Refuse)	0.6	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	175	519

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
<b>2a1. Is it a?:</b>				
1. Trade or professional association	61.5%	62.3%	69.1%	62.8%
2. General business organization	26.5	24.6	23.5	25.8
3. Booster or promotional organization	8.3	11.6	4.4	8.2
4. (DK/Refuse)	3.7	1.4	2.9	3.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	175	519
<b>2a2. Are you very active, active, somewhat active, not too active, or not at all active in the organization?</b>				
1. Very active	14.2%	10.1%	19.1%	14.3%
2. Active	9.9	13.0	20.6	11.9
3. Somewhat active	35.8	30.4	33.8	34.7
4. Not too active	23.8	27.5	16.2	23.2
5. Not at all active	15.7	18.8	10.3	15.4
6. (DK/Refuse)	0.6	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	175	519
<b>2b. Think of the second most important organization to you. How would you characterize the organization? Is it a?: (If two or more organizations in Q#2.)</b>				
1. National or international organization	42.9%	38.0%	37.9%	41.3%
2. State or regional organization	22.8	22.0	27.6	23.5
3. Local or neighborhood organization	33.0	38.0	32.8	33.7
4. (DK/Refuse)	1.3	2.0	1.7	1.5
Total	100.0%	100.0%	100.0%	100.0%
N	122	117	149	388

**Employee Size of Firm**

	1-9 emp	10-19 emp	20-249 emp	All Firms
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**2b1. Is it a?:**

1. Trade or professional association	58.7%	52.0%	63.2%	58.4%
2. General business organization	28.0	34.0	31.6	29.5
3. Booster or promotional organization	7.1	12.0	3.5	7.2
4. (DK/Refuse)	6.2	2.0	1.8	4.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	122	117	149	388

**2b2. Are you very active, active, somewhat active, not too active, or not at all active in the organization?**

1. Very active	8.9%	4.1%	10.3%	8.4%
2. Active	8.9	12.2	13.8	10.2
3. Somewhat active	32.9	36.7	39.7	34.6
4. Not too active	24.0	32.7	19.0	24.4
5. Not at all active	25.3	14.3	17.2	22.3
6. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	122	117	149	388

**3. On a scale of one-to-five, with 5 meaning very important and 1 meaning not at all important, how important is it to you that your organization/at least one of your organizations? (If “Yes” in Q#1.)**

**A. Provides an opportunity to network with other business owners**

1. Very important	34.8%	31.9%	38.2%	34.8%
2. (4)	21.8	26.1	25.0	22.9
3. (3)	26.2	23.2	22.1	25.1
4. (2)	3.1	11.6	8.8	5.2
5. Not at all important	13.8	7.2	5.9	11.7
6. (DK/Refuse)	0.3	—	—	0.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.6	3.6	3.8	3.6

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms

**B. Represents you or involves you in government matters or public policies that affect your business**

1. Very important	32.1%	34.9%	52.2%	35.5%
2. (4)	26.9	26.1	20.3	25.8
3. (3)	20.1	23.2	14.5	19.7
4. (2)	9.3	7.2	7.2	8.7
5. Not at all important	11.4	8.7	5.8	10.2
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.6	3.7	4.1	3.7

**C. Makes you part of a group that can purchase discounted goods or services**

1. Very important	19.4%	25.7%	23.5%	21.0%
2. (4)	13.9	15.7	14.7	14.3
3. (3)	20.1	21.4	20.6	20.3
4. (2)	17.0	11.4	16.2	16.0
5. Not at all important	29.0	25.7	25.0	27.9
6. (DK/Refuse)	0.6	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	2.8	3.0	3.0	2.9

**D. Develops industry standards or procedures**

1. Very important	31.5%	32.4%	40.3%	32.9%
2. (4)	24.7	19.1	19.4	23.1
3. (3)	20.4	27.9	22.4	21.8
4. (2)	10.5	10.3	4.5	9.6
5. Not at all important	12.0	10.3	13.4	12.0
6. (DK/Refuse)	0.9	—	—	0.7
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.5	3.5	3.7	3.6

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms

**E. Promotes your community or industry**

1. Very important	41.0%	41.4%	47.8%	42.1%
2. (4)	25.6	28.6	26.1	26.1
3. (3)	19.4	15.7	14.5	18.1
4. (2)	4.6	10.0	5.8	5.6
5. Not at all important	9.0	4.3	5.8	7.8
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.9	3.9	4.1	3.9

**F. Offers useful management or marketing ideas**

1. Very important	24.1%	23.2%	27.9%	24.5%
2. (4)	20.1	24.6	22.1	21.0
3. (3)	26.5	30.4	23.5	26.7
4. (2)	13.3	10.1	16.2	13.2
5. Not at all important	15.4	11.6	10.3	14.1
6. (DK/Refuse)	0.6	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.2	3.4	3.4	3.3

**G. Has social activities**

1. Very important	5.2%	10.0%	8.7%	6.5%
2. (4)	12.7	7.1	11.6	11.7
3. (3)	24.4	25.7	23.2	24.4
4. (2)	20.1	25.7	27.5	22.0
5. Not at all important	37.3	31.4	29.0	35.2
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	2.3	2.4	2.4	2.3

**H. Holds trade shows**

1. Very important	18.5%	21.7%	20.9%	19.3%
2. (4)	17.6	20.3	22.4	18.7
3. (3)	27.8	27.5	22.4	27.0
4. (2)	10.8	14.5	11.9	11.5
5. Not at all important	25.0	15.9	22.4	23.3
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	2.9	3.2	3.1	3.0

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
<b>I. Provides technical information specific to your industry</b>				
1. Very important	40.0%	32.9%	39.7%	38.9%
2. (4)	23.4	24.3	26.5	24.0
3. (3)	15.4	22.9	17.6	16.8
4. (2)	8.0	10.0	5.9	8.0
5. Not at all important	12.9	10.9	10.3	12.1
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.7	3.6	3.8	3.7
<b>J. Sponsors a continuing education-type program</b>				
1. Very important	35.0%	24.6%	33.8%	33.3%
2. (4)	18.9	27.5	19.1	20.2
3. (3)	18.9	24.6	25.0	20.7
4. (2)	11.5	13.0	11.8	11.7
5. Not at all important	15.5	10.1	10.3	13.9
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.5	3.5	3.5	3.5
<b>K. Supports one or more charitable activities</b>				
1. Very important	17.2%	21.4%	17.9%	18.0%
2. (4)	14.8	14.3	17.9	15.2
3. (3)	28.4	24.3	25.4	27.3
4. (2)	15.1	21.4	17.9	16.5
5. Not at all important	21.9	18.6	20.9	21.3
6. (DK/Refuse)	2.5	—	—	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	2.9	3.0	3.0	2.9
<b>L. Informs you about government rules and obligations</b>				
1. Very important	43.1%	40.6%	46.4%	43.2%
2. (4)	21.2	27.5	29.0	23.3
3. (3)	21.8	17.4	11.6	19.7
4. (2)	5.2	8.7	5.8	5.8
5. Not at all important	8.3	5.8	7.2	7.8
6. (DK/Refuse)	0.3	—	—	0.2
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519
Ave. Score	3.9	3.9	4.0	3.9

**Employee Size of Firm**  
**1-9 emp    10-19 emp    20-249 emp    All Firms**

**4. In the last year, have you attended a conference, seminar, meeting, trade show, etc., sponsored by a business organization, trade or professional association that required you to spend at least two nights away from home?**

1. Yes	38.6%	50.0%	55.9%	42.9%
2. No	61.4	50.0	44.1	57.1
3. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519

**4a. Was the single most important benefit of attendance?: (If “Yes” in Q#4.)**

1. Networking opportunities	21.6%	40.6%	41.7%	28.5%
2. Continuing education	58.4	28.1	36.1	49.2
3. Getting away from the business for a few days	1.6	—	—	1.0
4. Participating in or attending a trade show	15.2	31.3	22.2	19.2
5. (DK/Refuse)	3.2	—	—	2.1
Total	100.0%	100.0%	100.0%	100.0%
N	65	81	97	243

**5. Does most of the useful information you get from membership in a business organization or trade or professional association come from:?**

1. Networking	20.1%	20.3%	23.2%	20.6%
2. Continuing education-type activities	19.4	14.5	14.5	18.0
3. Organization magazines and newsletters	48.5	55.1	49.3	49.6
4. Organization Web sites	8.0	8.7	8.7	8.2
5. (Elsewhere)	2.8	—	2.9	2.4
6. (DK/Refuse)	1.2	1.4	1.4	1.3
Total	100.0%	100.0%	100.0%	100.0%
N	180	164	179	519

**Employee Size of Firm**  
 1-9 emp    10-19 emp    20-249 emp    All Firms

**6. What is the single most important type of information you obtain from belonging to business organizations, trade, or professional associations? Is it?:**

1. New technologies and the latest way of doing things	25.5%	27.5%	14.7%	24.2%
2. Your specific industry's news and information	19.7	31.9	32.4	23.4
3. Markets and customers	19.7	11.6	19.1	18.4
4. General business skills	8.9	8.7	8.8	8.9
5. Applicable laws and regulations	22.5	17.4	23.5	21.9
6. (DK/Refuse)	3.7	2.8	1.5	3.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>180</b>	<b>164</b>	<b>179</b>	<b>519</b>

**7. Have you terminated membership in one or more business organizations, trade or professional associations in the last three years?**

1. Yes	18.8%	20.0%	20.5%	19.1%
2. No	80.8	80.0	78.2	80.5
3. (DK/Refuse)	0.3	—	1.3	0.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>355</b>	<b>200</b>	<b>202</b>	<b>757</b>

**7a. Which best describes your reason for quitting? (If “Yes” in Q#7.)**

1. Too expensive	13.4%	—%	—%	12.6%
2. Didn't fulfill membership promises	20.2	—	—	19.9
3. Benefits not worth the expense	42.9	—	—	45.0
4. Didn't have the time	14.3	—	—	13.2
5. Didn't really want to be a member in the first place	5.0	—	—	6.0
6. (DK/Refuse)	4.2	—	—	3.3
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>66</b>	<b>43</b>	<b>41</b>	<b>150</b>

**8. Which best describes why you are not a member of any of these organizations? Is it because? (If “No” in Q#1.)**

1. You haven't had time to look into it	21.0%	—%	—%	20.8%
2. Few or no visible benefits	39.2	—	—	40.1
3. Cost is too high	9.7	—	—	9.3
4. Demands too much time	3.6	—	—	3.6
5. You're not a “joiner”	22.0	—	—	22.0
6. (DK/Refuse)	4.5	—	—	4.2
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>173</b>	<b>36</b>	<b>26</b>	<b>235</b>

**9. If you were considering membership in a business organization, on a scale of one-to-five, with 5 meaning very attractive and 1 meaning not at all attractive, how attractive would the following benefits be?:**

**A. Provides an opportunity to network with other business owners**

1. Very attractive	22.6%	—%	—%	22.7%
2. (4)	18.4	—	—	17.9
3. (3)	26.5	—	—	26.0
4. (2)	9.7	—	—	9.9
5. Not at all attractive	22.9	—	—	23.6
6. (DK/Refuse)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>173</b>	<b>36</b>	<b>26</b>	<b>235</b>
<b>Ave. Score</b>	<b>3.1</b>	<b>—</b>	<b>—</b>	<b>3.1</b>

**B. Represents you or involves you in government matters or public policies that affect your business**

1. Very attractive	19.0%	—%	—%	18.8%
2. (4)	18.4	—	—	18.2
3. (3)	22.9	—	—	22.7
4. (2)	13.2	—	—	13.7
5. Not at all attractive	26.5	—	—	26.6
6. (DK/Refuse)	—	—	—	—
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>N</b>	<b>173</b>	<b>36</b>	<b>26</b>	<b>235</b>
<b>Ave. Score</b>	<b>2.9</b>	<b>—</b>	<b>—</b>	<b>2.9</b>

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms

**C. Makes you part of a group that can purchase discounted goods or services**

1. Very attractive	25.6%	—%	—%	25.8%
2. (4)	18.1	—	—	17.7
3. (3)	21.4	—	—	21.0
4. (2)	13.2	—	—	11.7
5. Not at all attractive	25.6	—	—	23.7
6. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	3.1	—	—	3.1

**D. Develops industry standards or procedures**

1. Very attractive	14.5%	—%	—%	15.1%
2. (4)	15.8	—	—	15.7
3. (3)	28.1	—	—	27.6
4. (2)	13.2	—	—	13.4
5. Not at all attractive	28.1	—	—	27.9
6. (DK/Refuse)	0.3	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	2.8	—	—	2.8

**E. Promotes your community or industry**

1. Very attractive	26.3%	—%	—%	26.3%
2. (4)	24.7	—	—	24.2
3. (3)	22.1	—	—	22.1
4. (2)	11.4	—	—	11.9
5. Not at all attractive	15.6	—	—	15.5
6. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	3.4	—	—	3.3

**F. Offers useful management or marketing ideas**

1. Very attractive	21.0%	—%	—%	20.5%
2. (4)	24.2	—	—	24.1
3. (3)	18.1	—	—	18.2
4. (2)	13.2	—	—	13.7
5. Not at all attractive	23.5	—	—	23.5
6. (DK/Refuse)	—	—	—	—
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	3.1	—	—	3.1

**Employee Size of Firm**

	1-9 emp	10-19 emp	20-249 emp	All Firms
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**G. Has social activities**

1. Very attractive	3.2%	—%	—%	3.3%
2. (4)	3.5	—	—	3.6
3. (3)	22.8	—	—	22.0
4. (2)	22.2	—	—	21.7
5. Not at all attractive	48.2	—	—	49.6
6. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	1.9	—	—	1.9

**H. Holds trade shows**

1. Very attractive	12.6%	—%	—%	12.5%
2. (4)	10.6	—	—	10.7
3. (3)	21.3	—	—	21.1
4. (2)	13.2	—	—	13.6
5. Not at all attractive	41.9	—	—	41.8
6. (DK/Refuse)	0.3	—	—	0.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	2.4	—	—	2.4

**I. Provides technical information specific to your industry**

1. Very attractive	32.4%	—%	—%	31.8%
2. (4)	20.1	—	—	19.5
3. (3)	18.4	—	—	19.2
4. (2)	7.1	—	—	7.2
5. Not at all attractive	21.4	—	—	21.6
6. (DK/Refuse)	0.6	—	—	0.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	3.3	—	—	3.3

**J. Sponsors a continuing education-type program**

1. Very attractive	15.9%	—%	—%	15.6%
2. (4)	16.9	—	—	16.5
3. (3)	25.0	—	—	24.9
4. (2)	11.4	—	—	12.0
5. Not at all attractive	30.8	—	—	30.9
6. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	2.8	—	—	2.7

**K. Supports one or more charitable activities**

1. Very attractive	12.0%	—%	—%	12.6%
2. (4)	16.2	—	—	16.2
3. (3)	26.6	—	—	26.6
4. (2)	14.9	—	—	14.7
5. Not at all attractive	0.2	—	—	29.9
6. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	2.7	—	—	2.7

**L. Informs you about government rules and obligations**

1. Very attractive	23.6%	—%	—%	23.7%
2. (4)	21.0	—	—	20.7
3. (3)	26.9	—	—	25.7
4. (2)	6.1	—	—	6.9
5. Not at all attractive	22.3	—	—	23.1
6. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235
Ave. Score	3.2	—	—	3.2

**10. What is the single most important type of business information that you have trouble acquiring? Is it information about:?**

1. New technologies and the latest way of doing things	12.6%	—%	—%	12.3%
2. Your specific industry's news and information	10.4	—	—	9.9
3. Markets and customers	20.7	—	—	21.0
4. General business skills	9.7	—	—	9.3
5. Applicable laws and regulations	30.7	—	—	31.5
6. (DK/Refuse)	15.9	—	—	15.9
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	173	36	26	235

## Demographics

### D1. Which best describes your position in the business?

1. Owner/manager	86.2%	82.4%	76.9%	84.9%
2. Owner but NOT manager	5.5	7.1	6.4	5.8
3. Manager but NOT owner	8.3	10.6	16.7	9.4
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

### D2. Is your primary business activity: (NAICs code)

1. Agriculture, forestry, fishing	2.8%	1.2%	1.2%	2.5%
2. Construction	8.8	8.5	10.0	8.9
3. Manufacturing, mining	8.5	9.8	8.8	8.4
4. Wholesale trade	5.8	4.9	8.8	6.0
5. Retail trade	20.3	26.8	16.3	20.6
6. Transportation and warehousing	1.1	1.2	1.2	1.1
7. Information	0.5	—	1.2	0.5
8. Finance and insurance	4.6	1.2	2.5	4.0
9. Real estate and rental leasing	3.9	6.1	3.8	4.1
10. Professional/scientific/ technical services	12.3	13.4	10.0	12.2
11. Adm. support/waste management services	3.9	2.4	2.5	3.6
12. Educational services	1.6	1.2	—	1.4
13. Health care and social assistance	3.3	4.9	8.8	4.0
14. Arts, entertainment, or recreation	1.4	—	5.0	1.6
15. Accommodations or food service	2.5	9.8	15.0	4.5
16. Other service, incl. repair, personal care	14.8	7.3	3.8	12.9
17. (Other)	3.0	1.2	1.2	2.9
18. (DK/Refuse)	0.8	—	—	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

**D3. Over the last two years, have your real volume sales:?**

1. Increased by 30 percent or more	10.3%	12.9%	11.5%	10.7%
2. Increased by 20 to 29 percent	8.8	11.8	10.3	9.2
3. Increased by 10 to 19 percent	22.7	20.0	30.8	23.2
4. Changed less than 10 percent one way or the other	26.0	30.6	26.9	26.6
5. Decreased by 10 percent or more	25.9	22.4	17.9	24.7
6. (DK/Refuse)	6.3	2.4	2.6	5.5
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

**D4. Is this business operated primarily from the home, including any associated structures such as a garage or a barn?**

1. Yes	33.3%	7.1%	5.1%	27.7%
2. No	65.6	91.8	94.9	71.3
3. (DK/Refuse)	1.1	1.2	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

**D5. How long have you owned or operated this business?**

1. < 6 years	25.4%	23.5%	15.2%	24.2%
2. 6-10 years	20.8	12.9	20.3	20.0
3. 11-20 years	27.3	24.7	30.4	27.3
4. 21-30 years	18.3	23.5	16.5	18.7
5. 31 years+	6.6	12.9	16.5	8.2
6. (DK/Refuse)	1.6	2.4	1.2	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms

**D6. What is your highest level of formal education?**

1. Did not complete high school	2.4%	2.4%	—%	2.1%
2. High school diploma/GED	19.5	17.9	14.1	18.8
3. Some college or an associates degree	26.1	19.0	23.1	25.1
4. Vocational or technical school degree	3.3	3.6	1.3	3.1
5. College diploma	30.3	33.3	42.3	31.8
6. Advanced or professional degree	17.3	22.6	19.2	18.0
7. (DK/Refuse)	1.1	1.2	—	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

**D7. Please tell me your age.**

1. <25	0.6%	—%	—%	0.4%
2. 25-34	8.0	6.0	7.5	7.8
3. 35-44	19.8	21.4	23.8	20.4
4. 45-54	34.1	31.0	32.5	33.6
5. 55-64	26.6	29.8	25.0	26.8
6. 65+	8.6	9.5	8.8	8.8
7. (DK/Refuse)	2.2	2.4	2.5	2.3
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

**D8. What is the zip code of your business?**

1. East (zips 010-219)	13.9%	16.3%	20.5%	14.8%
2. South (zips 220-427)	23.8	20.9	17.9	22.9
3. Mid-West (zips 430-567, 600-658)	22.1	18.6	20.5	21.6
4. Central (zips 570-599, 660-898)	22.7	26.7	26.9	23.6
5. West (zips 900-999)	15.5	16.3	12.8	15.3
6. (DK/Refuse)	1.9	1.2	1.3	1.7
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
<b>D9. Population Density</b>				
1. Highly Urban	8.6%	15.5%	14.1%	9.9%
2. Urban	20.7	17.9	15.4	19.9
3. Fringe Urban	18.4	20.2	23.0	19.0
4. Small Cities and Towns	22.9	15.5	20.5	21.9
5. Rural	23.5	23.8	20.5	23.3
6. No Data	5.8	7.1	6.4	6.0
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757
<b>D10. Sex</b>				
Male	80.8%	83.5%	88.6%	81.9%
Female	19.2	16.5	11.4	18.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	355	200	202	757

### 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 the executive interviewing group of The Gallup Organization. The interviews for this edition of the *Poll* were conducted between August 7 - September 6, 2003 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 249.

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 was employed to compensate

for the highly skewed distribution of small-business 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 were arbitrary but adequate to allow independent examination of the 10-19 and 20-249 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	355	47
10-19	82	11	200	27	200	27
20-249	75	10	200	27	202	27
All Firms	750	100	750	101	757	101

\*Sample universe developed from special runs supplied to the NFIB Research Foundation by the Bureau of the Census (1997 data).

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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. Included are analyses of selected proposed regulations using its Regulatory Impact Model (RIM). The Foundation's functions were recently transferred from the NFIB Education Foundation.



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