



National Small Business Poll

NEIB National

Volume 4, Issue 6
2004

Small Business Poll

Contributions to Community

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. 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) 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



Contributions to Community

Volume 4, Issue 6
2004
ISSN - 1534-8326

William J. Dennis, Jr.
NFIB Research Foundation
Series Editor

NFIB

The Voice of Small Business.®

1201 "F" Street NW
Suite 200
Washington, DC 20004
nfib.com

National Small Business Poll



Contributions to Community

Table of Contents

Executive Summary	1
Contributions to Community	2
Tables	6
Data Collection Methods	15

Executive Summary

- Ninety-one (91) percent of small employers (small-business owners) contributed to their community in the last year through volunteering, in-kind contributions, and/or direct cash donations. About 41 percent contributed all three ways. The estimated average value of contributions is \$6,600 per small employer, contributing and not, for a total of roughly \$40 billion.
- Seventy-four (74) percent of all small-business owners say that they volunteered for community and charitable activities (broadly defined) in the last year. The average is somewhat over 12 hours per month or the equivalent of 18 working days per year. Thirty-seven (37) percent who volunteer also hold an office, including a Board position, in one or more community organizations.
- Groups of employees in 39 percent of small businesses volunteer for community activities on behalf of, or in the name of, the business.
- Seventy (70) percent provided in-kind contributions during the last year. The estimated median value of those contributions was just over \$2,000 per contributor. The average was \$4,000.
- Seventy (70) percent of all small-business owners made direct cash donations in the last year. The median cash donation was just under \$2,000 and the average was about \$3,600. About one in 10 donated more than \$10,000.
- The contributions of small employers tended to be widely dispersed rather than concentrated. They gave to 4.7 generic activities/groups of the 10 generic types listed on the survey. Just 18 percent confined their contributions to one or two. Since every generic type of activity/group has several specific ones, it is highly likely their contributions went to many specific activities and organizations.
- The generic activities/groups most likely to receive small-business owner contributions were: education/schools (from 73 percent of those who contribute to anything); civic organizations, such as community promotion groups, Lions, Rotary, etc. (64 percent); religious organizations (64 percent); and athletics/sports groups (58 percent). The type of generic group least frequently supported was environmental (18 percent).
- Small-business owners were likely to contribute to groups that have an affinity to one another. For example, if an owner contributed (or did not) to a health/disability, human services, or United Way-type umbrella organization, he was likely (or not likely) to contribute to the others as well.
- The most important reason for giving tended to be associated with personal satisfaction and fulfillment. The least important reason was direct business benefits. Owners of larger small firms were more likely to see a direct business benefit in contributing to community, but they, too, were much more likely to attribute their behavior to personal reasons.
- Creating a better business climate and making the community a better place to live were also important reasons to contribute, though typically not as important as personal satisfaction and fulfillment.

Contributions to Community

Small business plays a recognized role in the American economy. It serves as a job generator, innovator, producer of niche products and services, and a cap to peaks and a floor to troughs of business cycles, among other things. Less well recognized is the significant role small-business owners play in the social and charitable affairs of the community. The United States has a long tradition of neighbors voluntarily helping neighbors. Volunteer fire departments immediately come to mind as do mutual aid societies and barn raisings. In fact, private contributions to community, whether through donations of time or money, have done much to bridge the nation's on-going social needs. Small-business owners have been deeply involved in these efforts from the country's founding. As a result, this issue of the *National Small Business Poll* is devoted to small-business contributions to community defined here as volunteering, in-kind contributions, and direct cash donations to activities and groups whose purpose it is to help others in society.

Ninety-one (91) percent of small-business employers have contributed to their communities in the last year by volunteering, making in-kind contributions and/or directly donating cash. In fact, 44 percent of contributors or 41 percent of the entire small-employer population say that they did all three. Another 38 percent of contributors or 36 percent of the population say that they contributed in two of the three ways.

A plurality of contributing owners (40 percent) report that the greatest value of their contributions came from volunteering, but another 38 percent say their greatest value came from direct cash donations and another 17 percent through in-kind gifts (Q#9). However, the ordering is dependent on the assumed per-hour value of volunteered time.

The total quantifiable value of contributions made by small employers to community is enormous. Assuming their time to be conservatively worth \$25 per hour, the total amount of donations averaged about \$6,600 per small employer, including non-contributors, or roughly \$40 billion.

Volunteering

Nearly three in four (74 percent) small-business owners say that within the last year they have volunteered their time on behalf of some community or civic group, charity, youth or sports program, school, religious organization, or other activity of that nature (Q#1). Despite the fact that small-business owners are busy people, 43 percent say that they spent more than eight hours (the equivalent of one working day) in the last 30 days volunteering to help at least one of these groups (Q#2). Nineteen (19) percent spent the equivalent of two or more days in the last 30 volunteering. However, 18 percent who volunteer at some point in the year report that they did not do any in the last 30 days. The average was just over 12 hours or about a day and one-half.

Available time affects the amount of volunteering small-business owners can do. Seasonal factors may, therefore, influence volunteer work, and the amount of time spent in the last 30 days may not be indicative of the entire year. Sixty-one (61) percent say

that the last 30 days is typical of the amount of time spent volunteering throughout the rest of the year (Q#2a). However, almost three times as many of the remainder believe their hours volunteering were unusually low compared to those who believe they were unusually high (27 percent to 10 percent). Thus, it would appear that the reported average hours spent volunteering in the prior 30 days is somewhat low compared to a typical 30-day period.

A second measure (hours spent being the first) of volunteer intensity is holding an office in an organization for which one volunteers. Thirty-seven (37) percent of those who volunteer (and 34 percent of the entire population) currently hold an office, including service on a board, in at least one of these groups (Q#3). No details were collected on this type of volunteer activity, but business owners have obvious organizational skills as well as networks that are very useful to charitable (broadly defined) organizations.

Groups of employees often band together on behalf of or in the name of the business to provide a community service. These are typically cooperative ventures between employees and the owner that involve volunteered and on-the-clock time as well as material contributions from employers and employees. Thirty-nine (39) percent of small businesses have such activity on-going (Q#4). Frequency grows with the size of the business. The smallest (fewer than 10 employees) produce such activity in 37 percent of cases compared to 56 percent among largest (20 or more employees).

In-Kind Contributions

Small-business owners frequently make in-kind contributions to help the community. An example of such in-kind contributions is the service station owner who provides a high school group a place, a hose, and water for a Saturday car wash. Another might be a restaurant or fast food place that gives the day's left over food to a homeless shelter. Even turning over meeting space to a group planning some type of fund raiser is a contribution in-kind.

Seven in 10 (70 percent) small-business owners provide in-kind contributions to charitable organizations of one type or another (Q#5). The survey did not investigate the types of in-kind contributions

involved. However, the survey did attempt to determine the value of these goods and services, though the value of in-kind contributions is difficult to quantify. Owners estimate their median in-kind contribution's annual value to be just over \$2,000 with the average to be about \$4,100 (Q#6). A substantial number were reticent to assign a value to their in-kind contributions, but by more than a 2-1 margin believe they were worth more than \$1,000 annually (Q#6a).

Cash Contributions

Again, 70 percent say that they make direct cash contributions to these types of activities and/or organizations (Q#7). The median annual value of these cash contributions is somewhat below \$2,000 per contributor with an average of \$3,600. Ten (10) percent say their annual direct cash contributions were more than \$10,000. Over one in four (28 percent) of the largest (20 or more employees) gave that amount.

Types of Activities/ Groups Assisted

Small-business owners give in one fashion or another to a wide range of activities and their sponsoring organizations. The survey presented 10 generic types of activities and organizations to which they might contribute. Owners reported that in the last year they contributed to 4.7 generic types of groups on average. That does not mean they contributed to 4.7 organizations or activities, or contributed on 4.7 individual occasions. They likely contributed to many more organizations than that and much more frequently. Only 18 percent confined their giving to just one or two types of activity.

Small employers most frequently give to education and/or schools. Seventy-three (73) percent of contributors or 67 percent of the entire population report that within the last year they contributed to education (Q#10G). Given that owners are typically of an age to have children in school, more likely to have graduated from college than the rest of the public, and often complain about the quality of potential employees they interview, their interest in education and schools is not surprising.

The next most frequent types of groups small-business owners support are civic organizations such as local festivals, community

promotion, Rotary, Lions, etc., and religious organizations. Both types receive support from 64 percent of contributors (Q#10C and Q#10B) and 58 percent of the total. Fifty-eight (58) percent contribute to athletics or sports activities (Q#10F). About half of contributors (49 percent) report one or more donations within the last year to human services organizations, including housing and feeding programs, and the Red Cross (Q#10H).

Somewhat less frequently, small employers contribute to the United Way or similar umbrella organizations (39 percent) (Q#10I), health and disability groups, such as local hospitals (38 percent) (Q#10D), cultural or arts groups (33 percent) (Q#10A), and political causes or candidates (32 percent) (Q#10E). Since the survey was conducted in the third quarter of 2004 and the question's reference period was the last year, the latter may be atypically frequent given the intensity of the year's Presidential campaign.

Environmental groups are the least likely type of activity to be supported by small employers. Still, almost one in five (19 percent) say they contributed to one or more within the last year (Q#10J).

Some contribution patterns appear. If a small-business owner contributed to a civic, athletic/sports, or education/schools group, he or she was also likely to give to the other two (or not give to any of them as the case may be). Similar ties affect political causes/candidates and environmental groups. The third cluster involves health/disability, human services, and the United Way-type umbrella organizations. Donations to cultural/arts and religious organizations appear independent of those to any other activity.

Reasons for Contributing

Small-business owners make substantial donations of time and money, seemingly much more than do others in comparable situations. Why? The survey posed four questions about the motivation to contribute starting with the most practical reason and moving to the most idealistic. Each was measured on a scale of 1-10 where 10 is a very important reason for involvement and 1 is not an important reason.

One motivation could be that involvement in these types of activities is good for business. The survey asked owners how

important involvement was to the success of their firms. Just 9 percent said that that reason is very important and another 16 percent assigned it a 9 or 8 on the 10 point scale (Q#11). But 22 percent said that it is not important and another 19 percent gave it a 2 or 3. The average score is 4.8. Those owning businesses employing 10 or more people are more likely to attribute importance to contributions as direct support for business interests.

The second question in the series asked about the importance of involvement to creating a better business climate. Twenty (20) percent said that creating a better business climate is a very important reason and another 22 percent rated it as 9 or 8 (Q#12). The 41 percent total (due to rounding) compares to 25 percent for the good for business response. At the other end of the scale, 22 percent gave a better business climate one of the lowest three places. That number contrasts with 41 percent for direct support of business interests. The average score for creating a better business climate is 6.2. Owners of larger small businesses are again someone more likely to attribute importance to this motivation.

The third question focuses on making the community a better place to live. The proportion citing this reason as very important jumps compared to the good for business and a better business climate motivations. The proportion who say that the motivation is not important similarly declines. Thirty-six (36) percent said making the community a better place to live is very important and another 28 percent gave the reason the next two highest scores (Q#13). Just 3 percent said that the motivation is not important and 5 percent more gave it a 2 or 3. The average score for making the community a better place to live is 7.8.

The fourth question asked about the importance of personal satisfaction and fulfillment as a motivator for contributing. Conversation with small-business owners, particularly successful ones, about participation in community activities routinely leads to the phrase "giving something back." This motivation is clearly the most important, at least of those to whom it was posed. Forty-one (41) percent of contributors said that personal satisfaction and fulfillment is a very important motivation for their contributions

(Q#14). Another 28 percent rated it 9 or 8. Just 4 percent assigned personal satisfaction and fulfillment one of the three lowest scores. The average is 8.2.

While many small employers, particularly those owning larger firms, believe that contributions to community activities and organizations are good for business, their most important motivators are more personal. The more motivations move from direct business interests to personal satisfaction, the more important they become. However, several issues arise in this regard.

One issue is the extent to which family interests are involved. For example, volunteering to coach a sports team may allow a parent to spend more time with his or her children; contributions to a school fundraiser may directly benefit one's youngsters. Such efforts certainly generate personal satisfaction on the part of the donor, but they are not totally altruistic. Personal benefits from such contributions are unquestionably derived. Still, the variety of activities to which small employers contribute including those from which they are unlikely to obtain any direct benefit, such as housing and feeding programs, indicate that many of the contributions they make are generated for the purpose of helping others.

One point is not clear with respect to contributing for direct business interests: is it that owners just don't believe recognition yields dividends or that it is not a reason to be involved.

Final Comments

The contributions that small-business owners make to their communities are reported here in terms of volunteer hours, in-kind donations, and cash gifts. Though not always visible, the cumulative amounts these people provide their neighbors directly and indirectly are enormous. But despite the size of these contributions, they may not be the most important ones that small-business owners make. Instead, leadership and organizational skills may be.

The survey emphasized quantifiable measures of small employer contributions. Leadership and organizational skills are difficult to measure. The one question that did approach the issue indicates that as many as one in three small-business owners serve at any point in time as an officer in at least one

community service-type activity or organization. That roughly translates into about 1.9 million Americans helping their communities this way. Other small-business owners will be found serving on committees or in other manners offering their organizational abilities and social networks in service of community activities and groups. These positions are not necessarily offices, but often require skills that can be difficult to locate. Presumably, the people who undertake these tasks substantially augment the efforts of those holding formal positions.

There is little doubt that small-business owners on balance benefit financially from a thriving community and minimal social problems. But those who contribute also encounter a classic free-rider problem, that is, people who do not contribute receive the same benefits (almost) as those who do. The direct financial incentive to contribute is, therefore, not always very great. Yet, despite the free-rider problem and the fact that many take home relatively modest amounts of income from their businesses, over 90 percent of small-business owners do contribute. They contribute because they derive personal satisfaction and fulfillment from doing so.

Contributions to Community

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

	Employee Size of Firm			
	1-9 emp	10-19 emp	20-249 emp	All Firms
1. Do you volunteer your time to work on behalf of any community or civic group, charity, youth sports program, school, religious organization, or activities of that nature?				
1. Yes	73.3%	76.2%	77.9%	74.1%
2. No	26.2	23.8	22.1	25.6
3. (DK/Refuse)	0.5	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752
2. Though it may not be representative of the entire year, approximately how many hours did you spend volunteering in the last 30 days?				
1. None	18.4%	17.2%	15.0%	17.9%
2. > 9 hours	38.1	37.5	40.0	38.2
3. 9 - 16 hours	24.6	28.1	18.3	24.4
4. 17 - 32 hours	10.3	10.9	18.3	11.2
5. 32 hours or more	7.7	6.3	6.7	7.4
6. (DK/Refuse)	0.9	—	1.7	0.8
Total	100.0%	100.0%	100.0%	100.0%
N	257	152	156	565
Ave	12.0	11.0	14.4	12.1
2a. Do you typically volunteer more hours, fewer hours, or about the same number of hours as you did in the last 30 days?				
1. More	27.3%	29.7%	23.3%	27.1%
2. Fewer	10.5	10.9	8.3	10.3
3. Same	60.7	57.8	68.3	61.2
4. (DK/Refuse)	1.5	1.6	—	1.4
Total	100.0%	100.0%	100.0%	100.0%
N	257	152	156	565
3. Are you currently an officer or board member for any of those organizations?				
1. Yes	35.8%	37.5%	43.3%	36.7%
2. No	63.8	62.5	56.7	62.9
3. (DK/Refuse)	0.4	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	257	152	156	565

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

4. Do groups of your employees on behalf of, or in the name of, your business volunteer for community activities, charities, drives, and so forth?

1. Yes	37.2%	41.2%	55.8%	39.4%
2. No	59.2	57.6	41.6	57.3
3. (DK/Refuse)	3.6	1.2	2.6	3.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

5. Do you or your business provide in-kind contributions for community and civic groups or functions, charities, schools, and so forth? Examples might include a hose and water for a youth car wash, leftover food for a homeless shelter, meeting space for a local fund raiser, and excess inventory for renovating elderly housing?

1. Yes	68.8%	77.4%	76.3%	70.4%
2. No	30.5	22.6	23.7	29.0
3. (DK/Refuse)	0.8	—	—	0.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

6. What is the estimated ANNUAL value of those in-kind contributions? (If “Yes” in Q#5).

1. >\$500	19.6%	11.1%	19.0%	13.1%
2. \$500 - \$999	13.9	11.1	5.2	17.2
3. \$1,000 - \$2,499	27.4	30.2	20.7	27.0
4. \$2,500 - \$4,999	11.4	11.1	8.6	11.1
5. \$5,000 - \$9,999	7.3	15.9	17.2	9.3
6. \$10,000 or more	7.8	9.5	24.1	9.7
7. (DK/Refuse)	12.6	11.1	19.0	13.1
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	242	151	152	545
Ave	3,254	4,721	10,003	4,079

6a. Do you think it would be more or less than \$1,000? (If “DK/Refuse” in Q#6.)

1. More	—%	—%	—%	69.5%
2. Less	—	—	—	35.7
3. (DK/Refuse)	—	—	—	12.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	23	16	25	64

7. Do you personally, or your business make direct cash contributions to such groups or activities?

1. Yes	67.5%	78.6%	76.6%	69.5%
2. No	30.6	20.2	23.4	28.8
3. (DK/Refuse)	1.9	1.2	—	1.6
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

8. What is the estimated ANNUAL value of those in-kind contributions? (If “Yes” in Q#7).

1. >\$500	27.4%	12.5%	3.4%	23.1%
2. \$500 - \$999	23.0	18.8	3.4	20.4
3. \$1,000 - \$2,499	18.6	31.3	30.5	21.3
4. \$2,500 - \$4,999	8.6	10.9	10.2	9.0
5. \$5,000 - \$9,999	6.0	9.4	13.6	7.2
6. \$10,000 or more	7.7	10.9	28.8	10.3
7. (DK/Refuse)	8.6	6.3	10.2	8.5
Total	100.0%	100.0%	100.0%	100.0%
N	234	155	152	541
Ave	2,803	3,921	9,072	3,591

9. In terms of value, do you believe that in the last year you contributed more through your?: (If “Yes” in Q#1, Q#5, or Q#7.)

1. Volunteer work	39.7%	30.1%	31.1%	37.8%
2. In-kind contributions	20.3	26.5	18.9	20.9
3. Cash contributions	35.3	41.0	45.9	37.0
4. (DK/Refuse)	4.7	2.4	4.1	4.4
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

10. During the last year, for which of the following types or groups of activities did you volunteer, contribute in-kind, or contribute financially? Did you help _____ groups? (If “Yes” in Q#1, Q#5, or Q#7.)

A. Cultural or arts

1. Yes	30.9%	41.0%	39.2%	32.8
2. No	68.6	57.8	60.8	66.7
3. (DK/Refuse)	0.5	1.2	—	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

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

B. Religious

1. Yes	64.7%	62.7%	60.8%	64.1%
2. No	35.3	36.1	39.2	35.8
3. (DK/Refuse)	—	1.2	—	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

C. Civic, such as local festivals, community promotion, Rotary, Lions, etc.

1. Yes	62.5%	70.7%	72.0%	64.3%
2. No	37.0	29.3	28.0	35.3
3. (DK/Refuse)	0.5	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

D. Health or disability

1. Yes	34.7%	44.0%	52.7%	37.5%
2. No	64.1	54.8	47.3	61.4
3. (DK/Refuse)	1.2	1.2	—	1.1
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

E. Political causes or candidates

1. Yes	30.9%	37.3%	36.5%	32.1%
2. No	68.8	62.7	63.5	67.6
3. (DK/Refuse)	0.3	—	—	0.3
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

F. Athletics or sports

1. Yes	55.6%	72.3%	63.5%	58.2%
2. No	44.2	27.7	36.5	41.7
3. (DK/Refuse)	0.2	—	—	0.1
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

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

G. Education or schools

1. Yes	70.8%	80.7%	81.1%	72.9%
2. No	28.4	19.3	18.9	26.5
3. (DK/Refuse)	0.8	—	—	0.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

H. Human services, including feeding and housing programs, and the Red Cross

1. Yes	46.1%	56.6%	62.7%	48.9%
2. No	53.6	43.4	36.0	50.7
3. (DK/Refuse)	0.3	—	1.3	0.4
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

I. United Way or similar umbrella groups

1. Yes	35.2%	47.0%	56.0%	38.5%
2. No	63.0	51.8	44.0	59.9
3. (DK/Refuse)	1.9	1.2	—	1.6
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

J. Environmental

1. Yes	18.9%	17.1%	23.0%	19.1%
2. No	79.6	81.7	77.0	79.6
3. (DK/Refuse)	1.5	1.2	—	1.3
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720

II. On a scale of 1-to-10, where 10 is very important and 1 is not important, how important is your involvement in community activity to the success of your business?

1. Very important	7.7%	14.6%	15.1%	9.1%
2. 9 - 8	14.3	20.7	19.1	15.5
3. 7 - 4	33.8	34.1	34.2	33.9
4. 3 - 2	20.7	14.6	15.1	19.4
5. Not important	22.8	15.9	16.4	21.5
6. (DK/Refuse)	0.7	—	—	0.5
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720
Ave	4.6	5.5	5.6	4.8

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

12. On a scale of 1-to-10, where 10 is very important and 1 is not important, how important is your involvement to creating a better business climate?

1. Very important	18.1%	28.4%	23.0%	19.7%
2. 9 - 8	21.0	23.5	24.3	21.6
3. 7 - 4	36.6	30.9	35.1	35.8
4. 3 - 2	11.5	8.6	9.5	11.0
5. Not important	12.3	7.4	6.8	11.2
6. (DK/Refuse)	0.5	1.2	1.4	0.7
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720
Ave	6.0	6.8	6.8	6.2

13. On a scale of 1-to-10, where 10 is very important and 1 is not important, how important is it to making your community a better place?

1. Very important	35.3%	42.2%	38.7%	36.4%
2. 9 - 8	27.3	27.7	30.7	27.6
3. 7 - 4	28.6	24.1	25.3	27.8
4. 3 - 2	5.2	3.6	4.0	4.9
5. Not important	2.7	2.4	1.3	2.5
6. (DK/Refuse)	1.0	—	—	0.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720
Ave	7.7	8.1	8.1	7.8

14. On a scale of 1-to-10, where 10 is very important and 1 is not important, how important is it to your personal satisfaction and fulfillment?

1. Very important	39.8%	49.4%	40.5%	40.9%
2. 9 - 8	27.7	25.9	29.7	27.7
3. 7 - 4	26.7	23.5	27.0	26.4
4. 3 - 2	3.3	—	2.7	2.9
5. Not important	1.5	1.2	—	1.3
6. (DK/Refuse)	1.0	—	—	0.8
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	330	196	194	720
Ave	8.1	8.4	8.2	8.2

Demographics

D1. Which best describes your position in the business?

1. Owner/manager	85.4%	80.0%	68.4%	83.2%
2. Owner but NOT manager	4.7	7.1	7.9	5.3
3. Manager but NOT owner	9.9	12.9	23.7	11.5
4. (DK/Refuse)	—	—	—	—
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

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

1. Agriculture, forestry, fishing	5.5%	2.4%	2.7%	4.9%
2. Construction	6.6	9.5	10.8	7.3
3. Manufacturing, mining	6.1	9.5	14.9	7.3
4. Wholesale trade	5.7	8.3	5.4	5.9
5. Retail trade	17.8	15.5	12.2	17.0
6. Transportation and warehousing	2.7	3.6	4.1	2.9
7. Information	1.1	2.4	1.4	1.3
8. Finance and insurance	5.7	2.4	2.7	5.0
9. Real estate and rental leasing	4.3	3.6	1.4	3.9
10. Professional/scientific/ technical services	15.9	9.5	8.1	14.5
11. Adm. support/waste management services	2.7	1.2	4.1	2.6
12. Educational services	2.0	1.2	1.4	1.9
13. Health care and social assistance	3.8	4.8	6.8	4.2
14. Arts, entertainment, or recreation	0.8	2.4	5.4	1.4
15. Accommodations or food service	4.1	14.3	10.8	5.8
16. Other service, incl. repair, personal care	11.5	7.1	4.1	10.3
17. (Other)	2.5	2.4	2.7	2.5
18. (DK/Refuse)	1.2	—	1.4	1.2
<hr/>				
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

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

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

1. Increased by 30 percent or more	13.7%	13.1%	13.0%	13.5%
2. Increased by 20 to 29 percent	12.9	13.1	14.3	13.0
3. Increased by 10 to 19 percent	20.6	26.2	27.3	21.8
4. Changed less than 10 percent one way or the other	27.2	22.6	23.4	26.3
5. Decreased by 10 percent or more	21.8	22.6	15.6	21.3
6. (DK/Refuse)	3.9	2.4	6.5	4.0
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

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

1. Yes	29.6%	8.3%	1.3%	24.6%
2. No	70.0	91.7	98.7	75.0
3. (DK/Refuse)	0.5	—	—	0.4
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

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

1. < 6 years	28.6%	17.6%	22.1%	26.8%
2. 6-10 years	17.3	20.0	16.9	17.5
3. 11-20 years	28.7	31.8	28.6	29.0
4. 21-30 years	13.7	17.6	20.8	14.8
5. 31 years+	11.0	12.9	11.7	11.3
6. (DK/Refuse)	0.8	—	—	0.6
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

D6. What is your highest level of formal education?

1. Did not complete high school	2.8%	—%	1.3%	2.4%
2. High school diploma/GED	20.5	19.3	15.4	19.9
3. Some college or an associates degree	21.2	20.5	15.4	20.5
4. Vocational or technical school degree	3.9	4.8	2.6	3.9
5. College diploma	29.9	39.8	41.0	32.0
6. Advanced or professional degree	21.2	15.7	23.1	20.8
7. (DK/Refuse)	0.5	—	1.3	0.5
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

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

D7. Please tell me your age.

1. <25	0.9%	1.2%	1.3%	1.0%
2. 25-34	9.4	5.9	6.4	8.8
3. 35-44	19.2	20.0	21.8	19.5
4. 45-54	35.0	29.4	34.6	34.4
5. 55-64	21.8	30.6	24.4	23.0
6. 65+	11.6	11.8	10.3	11.5
7. (DK/Refuse)	2.0	1.2	1.3	1.9
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

D8. What is the zip code of your business?

1. East (zips 010-219)	12.7%	15.5%	19.5%	13.7%
2. South (zips 220-427)	23.1	26.2	22.1	23.3
3. Mid-West (zips 430-567, 600-658)	22.4	28.6	22.1	23.1
4. Central (zips 570-599, 660-898)	25.1	21.4	19.5	24.2
5. West (zips 900-999)	15.5	8.3	15.6	14.8
6. (DK/Refuse)	1.1	—	1.3	1.0
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

D9. Urbanization (Derived from zip code)

1. Highly Urban	12.4%	9.4%	15.4%	12.4%
2. Urban	18.5	16.5	17.9	18.3
3. Fringe Urban	18.1	21.2	21.8	18.8
4. Small Cities/Towns	21.8	22.4	21.8	21.9
5. Rural	24.3	27.1	20.5	24.3
6. (DK/Refuse)	4.9	3.5	2.6	4.5
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

D10. Sex

Male	81.8%	82.1%	87.0%	82.3%
Female	18.2	17.9	13.0	17.7
Total	100.0%	100.0%	100.0%	100.0%
N	352	200	200	752

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 6 - September 6, 2004 from a national 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	352	47
10-19	82	11	200	27	200	27
20-249	75	10	200	27	200	27
All Firms	750	100	750	101	752	101

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

Continued from page 14

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.

Previous Publications in This Series

- Volume 1, Issue 1 *The Changing Search
for Employees*
Issue 2 *The Use and Value of Web Sites*
Issue 3 *The Cash Flow Problem*
Issue 4 *Adjusting to Cost Increases*
Issue 5 *Coping with Regulation*
Issue 6 *Success, Satisfaction and Growth*
Issue 7 *Getting Paid*
Issue 8 *Privacy*

- Volume 2, Issue 1 *Workplace Safety*
Issue 2 *Liability*
Issue 3 *Postal Rates*
Issue 4 *Administering the Sales Tax*
Issue 5 *Advice and Advisors*
Issue 6 *Families in Business*
Issue 7 *Business Insurance*
Issue 8 *Pre-ownership Experience*

- Volume 3, Issue 1 *Contacting Government*
Issue 2 *Compensating Employees*
Issue 3 *Reinvesting in the Business*
Issue 4 *Health Insurance*
Issue 5 *Paperwork and Record-keeping*
Issue 6 *Membership in Business
Organizations*
Issue 7 *Road Transportation*
Issue 8 *Competition*

- Volume 4, Issue 1 *International Trade*
Issue 2 *Family and Medical Leave*
Issue 3 *Alcohol, Drugs, Violence and
Obesity in the Workplace*
Issue 4 *Strategic Alliances*
Issue 5 *Disasters*

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. 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.



NFIB

The Voice of Small Business.®

1201 "F" Street NW
Suite 200
Washington, DC 20004
nfib.com