

Mission Community Services Corp.

2006 Listening Project

an economic impact and client satisfaction survey

Presented to:

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OPINION
S T U D I E S

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BACKGROUND

This 2006 “**Listening Project**” was conducted to assist **Mission Community Services Corp. (MCSC)** in measuring the economic impact and client satisfaction of graduates of the 14-week “**From Vision to Venture**” self-employment training program offered between 2002 and May of 2006. The program was first offered in 2002 in San Luis Obispo County by **Women’s Economic Ventures (WEV)**, an organization headquartered in Santa Barbara, with the support of MCSC and the **Cuesta College SBDC** under the **Women’s Business Partners** collaboration.

Women’s Business Partners (WBP) is a collaborative organization coordinated by MCSC to ensure all community resources are leveraged and optimized to support entrepreneurial women throughout San Luis Obispo, Kern and North Santa Barbara Counties. MCSC and the SBDC provided support for 2002 - 2003 WEV classes. Support included the use of classroom space, the Mission Business Information Center (books, computer hardware and software) and one on one consulting services to help students succeed with their ventures. Early in 2004, MCSC was licensed by WEV to conduct classes independently in all Central California Counties.

The overall goal of the “**From Vision to Venture**” program since 2002 and continuing today is to provide basic self-employment training to entrepreneurs who own their own business or anticipate opening a new business in the community. While basic information regarding participants’ level of satisfaction is collected following each program, this is the first comprehensive long range study of participants.

The current survey collected information about program participants and their businesses, their evaluations of the program and their experiences applying for small business loans.

METHODOLOGY

In July 2006, a total of 240 questionnaires were mailed to people who had participated in past classes of ‘From Vision to Venture.’ Of these 240 questionnaires, 61 were in Spanish. Following this initial mailing, phone calls were placed to all prospective respondents. These calls determined that some people had moved and left no forwarding address. A second mailing was done to specific people who requested another questionnaire when contacted by phone. By August the cutoff date to return questionnaires, a total of 59 questionnaires were returned; nine of these were Spanish language forms. This represents an overall return rate of 25%. Among those who received the Spanish version, the return rate was 33%.

Data is analyzed by total number of respondents (n = 59) and by total number of Hispanic respondents (n = 16). Hispanics are those who completed question in Spanish (n = 9) and those who indicated their ethnic/cultural background is Hispanic (n = 7).

Survey results are shown in the following categories:

- Respondent demographics/program attendees
- Participants' businesses/financial issues
- Program evaluation

SUMMARY OF SIGNIFICANT FINDINGS

Typical program participants:

- Are women,
- Single or divorced,
- Not single parents,
- Live in households with one or two people,
- Have no dependents,
- Live in households with annual incomes of less than \$40,000,
- Have previous work or education experience that helps them function as an entrepreneur.

Compared to the total sample, Hispanic attendees are more often:

- Men,
- Married,
- Living in households with more than two people,
- Have dependents,
- Living in households with slightly lower annual incomes,
- Less likely to have previous experience or training.

Forty-six percent of participants are currently working at their own business. Another 20% are in the process of setting up the business.

Reported sales and the number of respondents reporting increases in sales from 2003 to 2005.

One third of participants indicated their household incomes increased as a result of the assistance received from MCSC.

A total of 33 full-time and 22 part-time jobs are estimated to have been created or saved as a result of MCSC's assistance.

Nearly all participants say the 'From Vision to Venture' program was beneficial and indicate they would recommend it to others. Most participants rate the program and its counselors as 'excellent.' However, a significant share (23%) rate both as good, suggesting that there is some room for improvement. Hispanics indicate slightly less satisfaction.

A variety of improvement ideas were offered. Many of these suggestions focused on a need for more specific information and a desire for more networking opportunities and follow up.

Two thirds of the respondents say they would be willing to pay for private consulting services. The percentage of willing payers is less among Hispanic respondents.

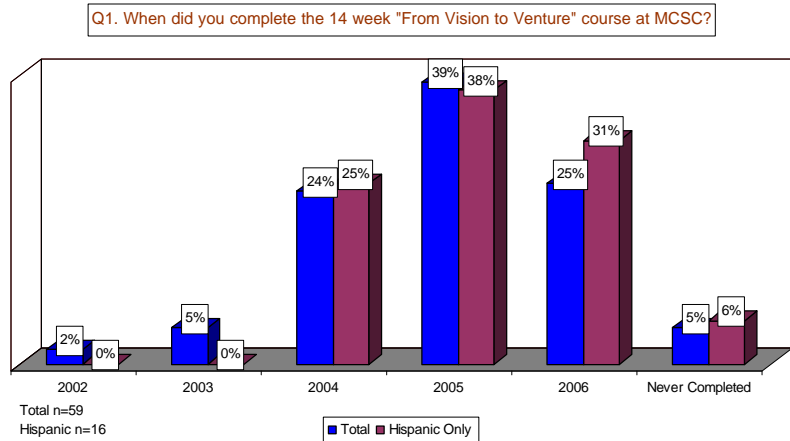
DETAILED FINDINGS

I: SURVEY SAMPLE AND PROGRAM ATTENDEES

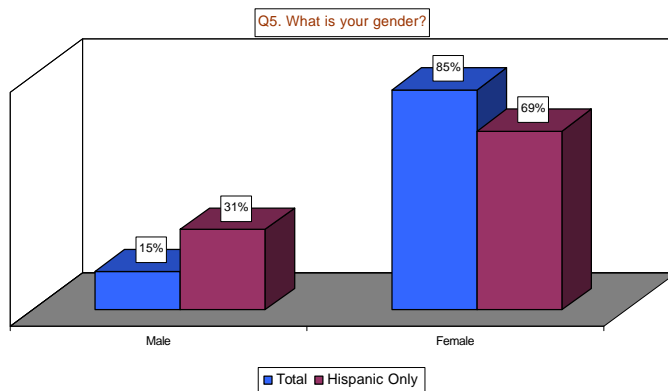
Nearly four in ten who responded to the survey attended the 'From Vision to Venture' in 2005. Another 25% attended in 2004 with an equal share taking part in the first six months of 2006.

Assuming attendance is similar in the next six months, 2006 attendance will surpass previous years.

Attendance among Hispanics mirrors that of the total sample.

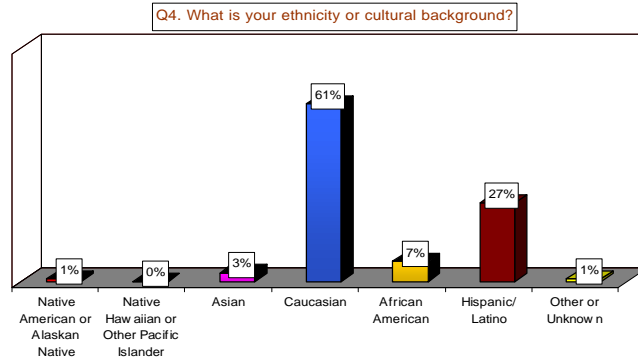


Women make up a clear majority of the total attendee pool. However, men make up nearly one-third of the Hispanic attendees.



Total n=59
Hispanic n=16

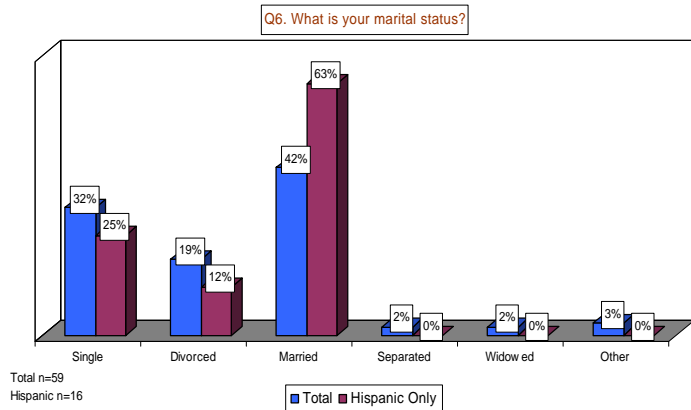
Nearly two-thirds of attendees are Caucasian/non- Hispanic while one in four is Hispanic.



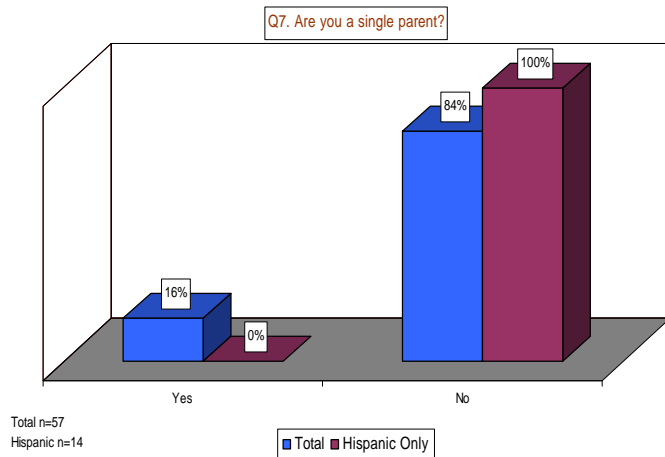
Total = 59

The majority of attendees are not married. Just over 40% are married. Approximately, one third is single, never married.

Hispanic attendees are far more likely to be married and less likely to be divorced.



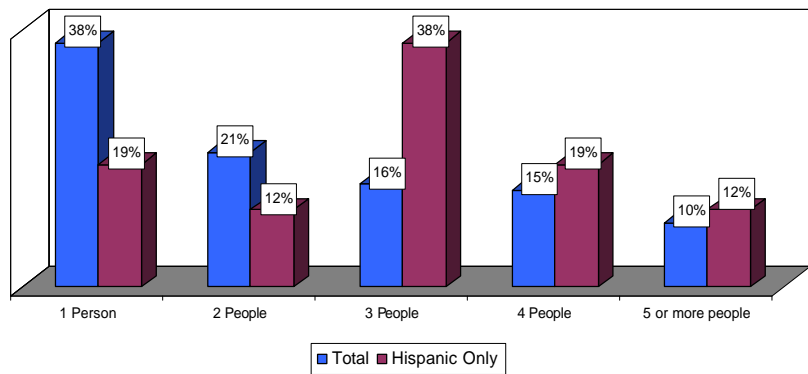
Single parents make up only a small portion (16%) of attendees.



Nearly four in ten attendees live alone although an equal share (41%) has three or more people in their household.

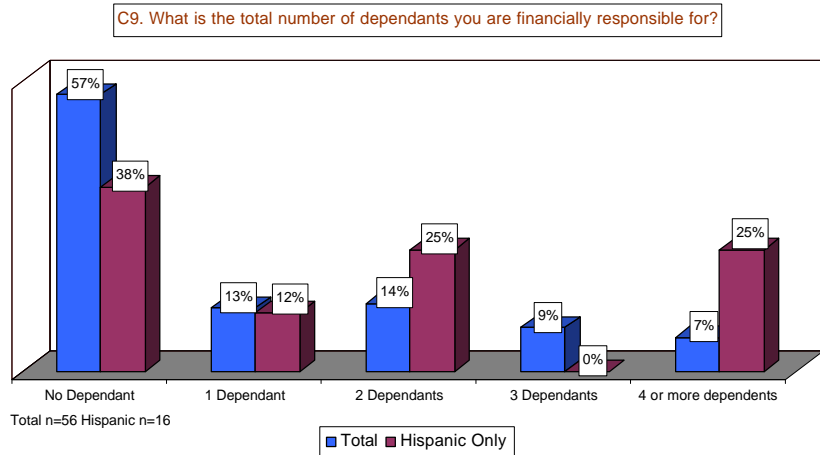
Q8. What is the total number of persons in your family?

Hispanic attendees are much more likely to live in larger households. Among Hispanics, 69% live in households with three or more people.



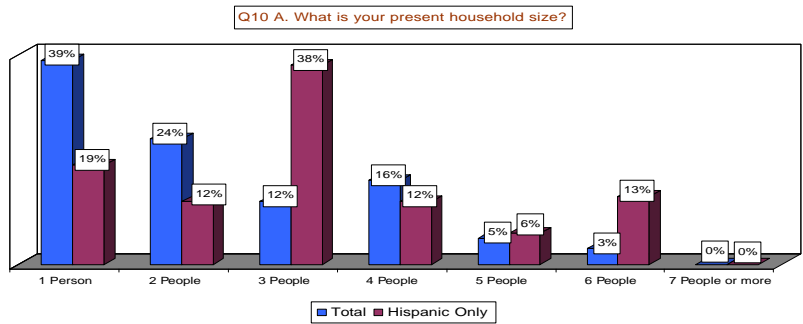
Total n=58
Hispanic n=16

Most (57%) attendees have no dependants. By contrast to the entire sample, Hispanic attendees are more likely to have two or more dependants.

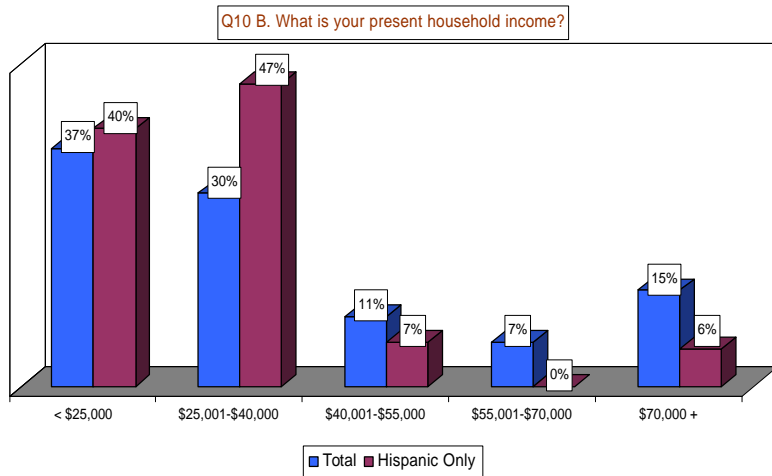


More than half the attendees live in one or two person households. Hispanic attendees live in larger households.

Total n=59
Hispanic n=16

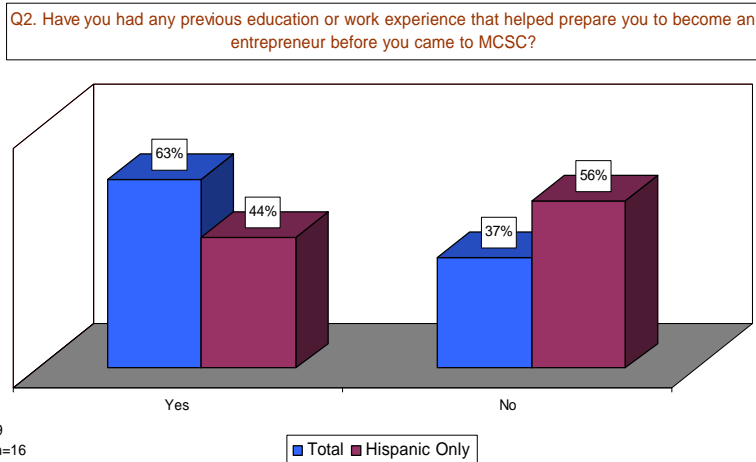


Two thirds of all attendees live in households with incomes of less than \$40,000. Hispanic attendees' household are less affluent—only 13% versus 32% of all households have incomes over \$40,000.



Total n=54
Hispanic n=15

Two thirds of all respondents had some previous education or work experience that helped them become an entrepreneur. Hispanics are less likely to have had any previous such experience.

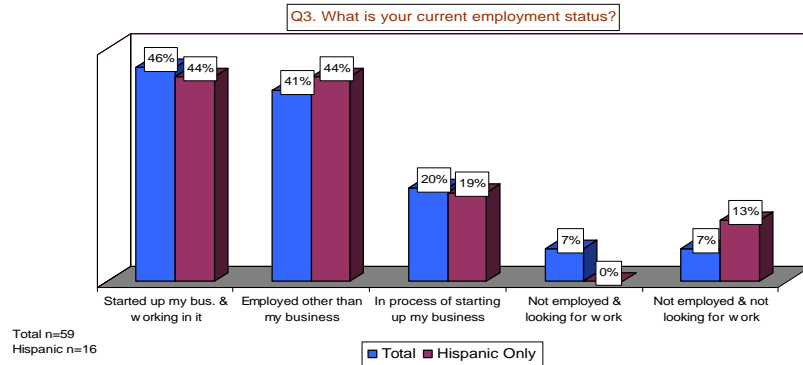


Total n=59
Hispanic n=16

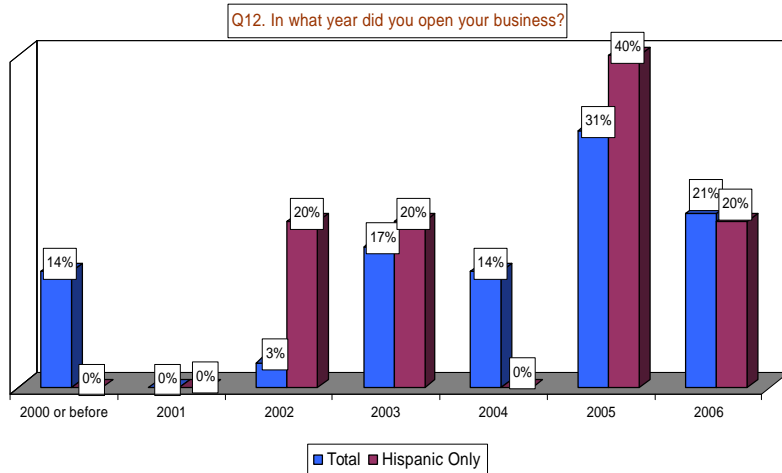
Forty nine percent of those who said they'd had previous experience indicated they had some level of education that was helpful. Several of these had graduate school experience or degrees or experience in specialized programs. Another 40% said they owned a prior business and another 40% indicated that some prior work experience was helpful. Nearly one third (31%) said that multiple experiences provided some help (i.e., education plus work experience, etc.). See Appendix for a list of actual responses.

II: ATTENDEES' BUSINESSES AND LOAN STATUS

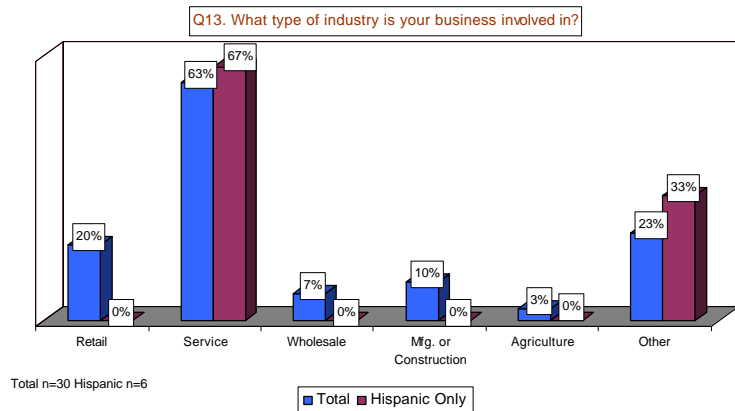
Forty-six percent (25) of the program attendees are currently working at their own business. Seven of the Hispanic attendees (44%) are working at their business. Another 20% are in the process of starting their businesses.



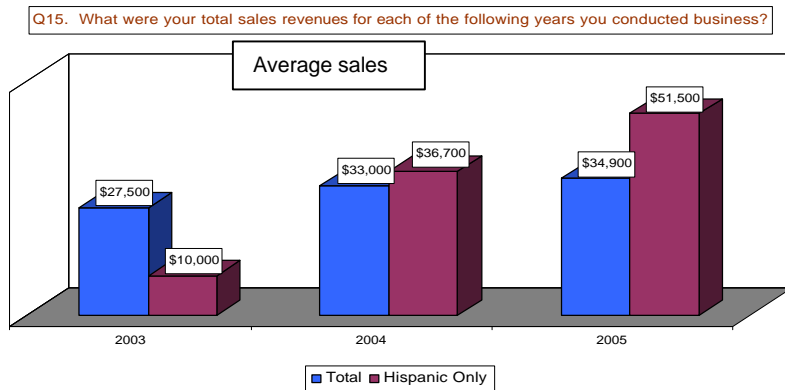
About half of all attendees opened their businesses in the last two years.



Nearly two thirds of the attendees' businesses are classed as part of the service sector. Retail is another prominent category.



Numbers shown in the table below are average sales for the years 2003 to 2005. Interestingly, average sales have increased consistently among Hispanic businesses. Businesses owned by all respondents also show increases but not as dramatically as those owned by Hispanics.

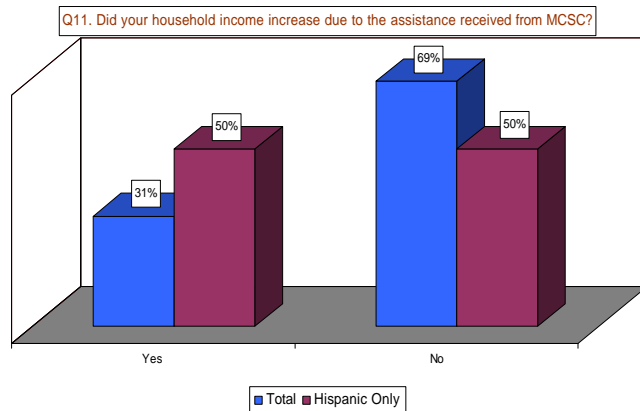


As important as average sales is the number of respondents reporting sales. Five respondents reported sales in 2003. The number jumped to 11 for 2004 and to fourteen for 2005. Among Hispanics, the number reporting sales went from one in 2003 to three in 2004 and four in 2005.

Nine respondents indicated they had full or part time employees during the years 2003 to 2005. One had as many as 10 part-time employees in 2004 and 6 in 2005, but most had one or two employees over these years. (Q16)

A total of thirteen participants report that assistance received from MCSC helped save or create a total of 33 full-time jobs and 22 part-time jobs (Q14).

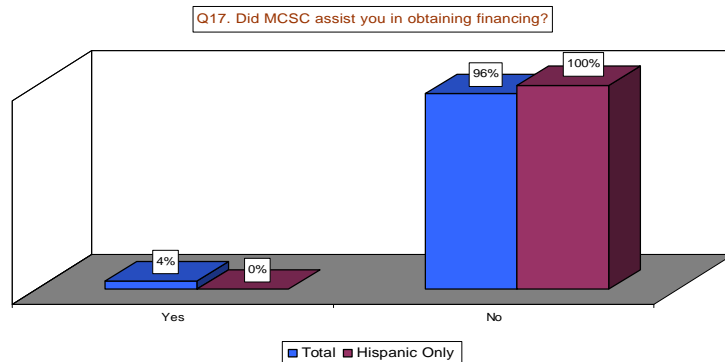
One third of all respondents report that their household incomes have increased as a result of their involvement in the MCSC training. Among Hispanic attendees, this number jumps to 50%.



Total n=59
Hispanic n=16

Those who have not experienced an increase in income offered a variety of reasons. The reason given by nearly half (46%) was that they had not yet started the business so of course had not realized an increase in income. Another 33% were working at the business but had not yet recorded a profit. Twenty percent decided that their business idea was not viable so elected to close the business or, if not yet opened, to not open it.

MCSC helped one participant obtain financing.



Total n=28
Hispanic n=6

A total of three participants obtained SBA loans. These loans ranged from a low of \$13,000 to \$275,000. Six obtained other loans ranging from \$9,000 to \$45,000. And two raised funds of \$3,000 and \$44,000 through their own equity. Institutions providing funds included Community West, EVC, Bank of America, Indy Mac and U.S. Bancorp (Q18 – 19).

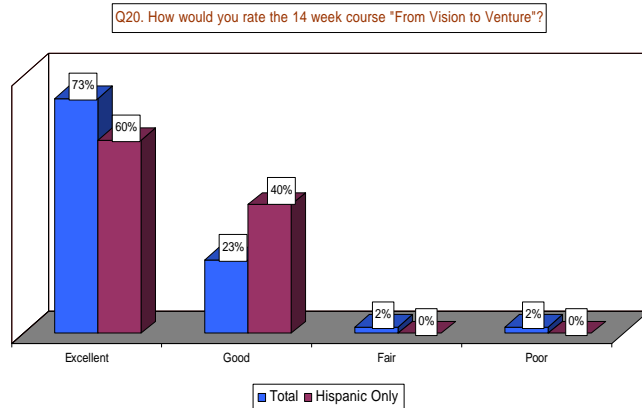
III: EVALUATION OF THE PROGRAM

In addition to being asked about themselves and their businesses, participants were asked to evaluate and provide feedback on the program

Seventy three percent rated the program 'excellent.' Another 23% said the program was 'good.' Only four percent (essentially two people) appear to be dissatisfied.

Hispanics were slightly less favorable than all respondents.

While this is an overall superb rating, it does indicate some room for improvement, particularly among Hispanics.



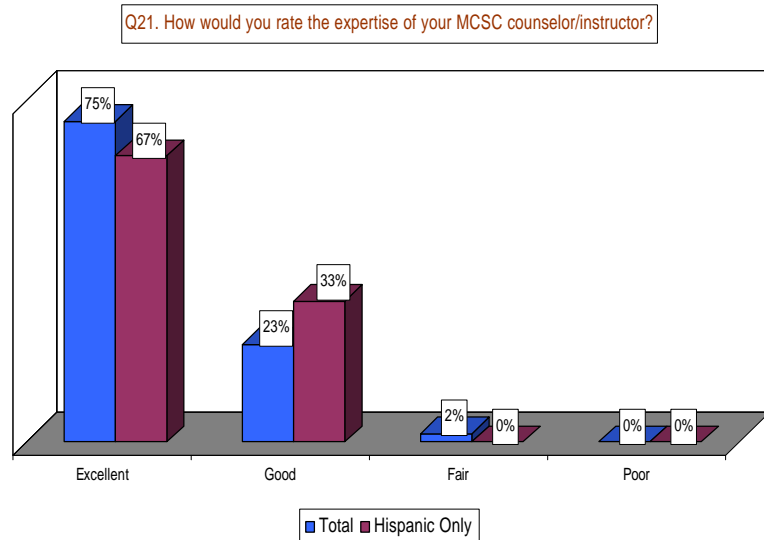
Total n=56
Hispanic n=15

Comments from those who rated the program poorly included the following:

- Some of the information they gave us was wrong and there is no help after class. Wasted 14 weeks.
- The problem is SLO Market glut of large design agencies and lack of art collectors locally.

Ratings of the counselors were almost identical to that of the program overall.

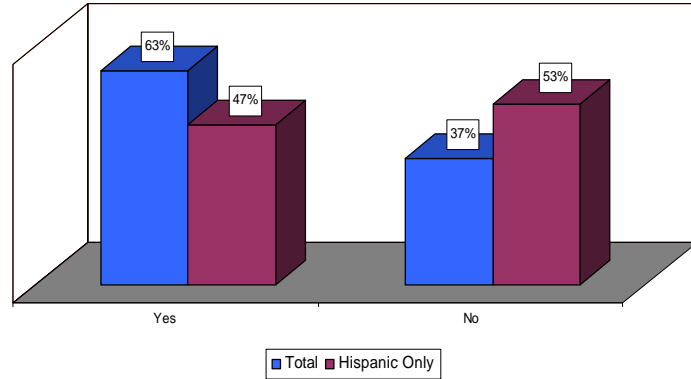
The one person who gave a poor rating of the counselor indicated that he/she did not have money to pay for a counselor.



Total n=56
Hispanic n=15

Two thirds of attendees indicated they would be willing to pay for private consultant services. Only 47% of the Hispanics indicated willingness to pay for such services.

Q22. Would you be willing to pay an individual private consultant for services similar to those offered by MCSC?

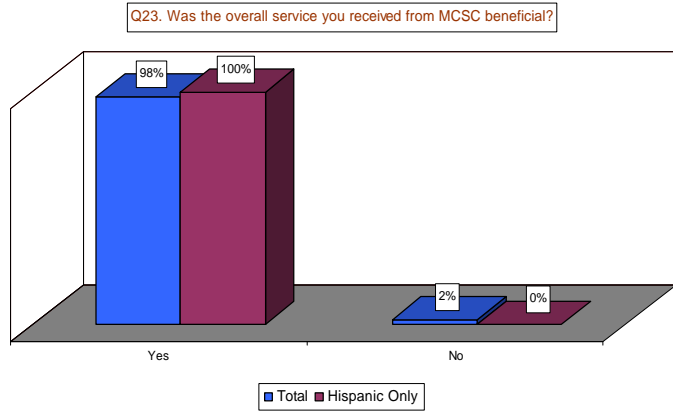


Total n=56
Hispanic n=15

Comments included the following:

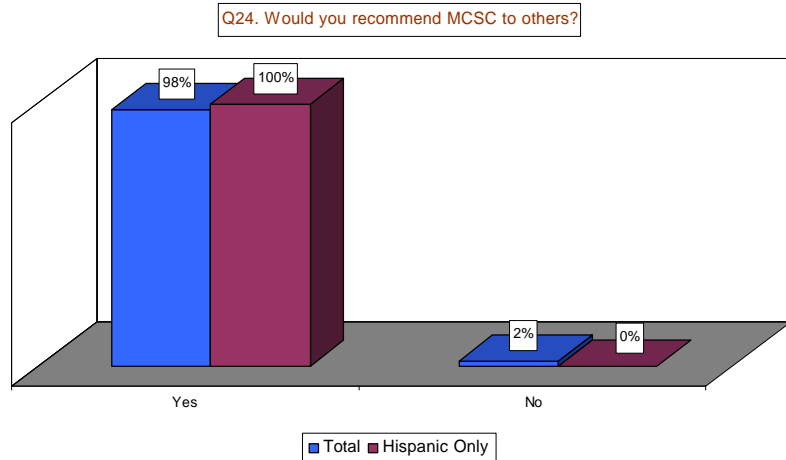
- If I could afford it.
- Depends on how much.
- Depends on price.
- I am willing, but not able to pay.
- If I had the money!

Ninety eight percent of all respondents and 100% of the Hispanics said the program's overall service was beneficial—a very clear endorsement to the program's value.



Total n=56
Hispanic n=15

As with perceived value, 98% of all respondents and 100% of the Hispanic group state they would recommend the program to others—another very clear indication of the program's significance.



Total n=56
Hispanic n=15

In the end, participants were asked how MCSC could help them and/or improve the program. Respondents wrote in a wide variety of comments—some were suggestions for improvements but others were praise. Many of the suggestions indicated a need for more specific, practical information and/or a desire for more networking opportunities and follow-up. Improvement ideas are listed below.

Q25. In what additional ways could MCSC have helped you?

- I would have liked information on the best times to expand and by how much and how to obtain proper funding versus the equity of my house.
- A bit more help on marketing research of my profession and cash flow info. Need a sequel to class.
- More interaction with graduates (of the program) who have created successful businesses.
- Credit repair, then future help with financing.
- How to find/locate resources in the SLO area for the fashion design industry.
- More research into existing business successes.
- More friendly in discussion when inquiring about non-profits.
- Networking, support, and encouragement
- Develop a research & information center in North County area.
- Lower price slightly. I learned others with similar income in class paid less than me because they may not have been up front about income where as I was honest and paid almost full price for the class.
- More loan information and better consultants.
- Networking, alumni access to MCSC services, SCORE counseling.
- Having additional instructor available.
- Great course. Not sure if I would change anything. (Except being able to email assignments would have been cool).
- Find ways to raise capitol besides "loan process" which is closed to me/my business description
- More concentration on the financial structure is needed to make it a viable business. By giving more attention to these areas: financial structure, legal aspects, costs of operation, etc. As if one were to start a real business tomorrow! A great deal was very loose and theoretical. Instructors need to be successful business owners to pass along real experience!
- Actually go through license process & permit process.
- More flexibility with the schedule of classes, because I work until 8 pm.
- Having a Business Permits & License listing, showing where and how to obtain them.
- The course should be more extensive.
- Follow up training and workshops for new business owners.

Other comments provided praise and appreciation for the program.

- Really excellent program! I've been around but I've never seen the commitment to support and develop strong networking that I've seen with this program. Also, great people! I'm a total fan of MCSC!!!
- At the time I was considering a business (practice) but subsequently decided to retire after receiving a legacy. May now put the principles to use in volunteering and entrepreneur in performing arts. A big thank you to Lori - An excellent instructor. Thank you to all for the program. Several classmates have used it well!
- The MCSC entrepreneurial training class boosted my self-confidence. I believe I can start and maintain a successful business.
- Can't think of any... The course was very beneficial and Lori is fantastic.
- Thank you
- I may need a loan in 1year.
- The "fault" lies w/ me - am not yet confident I could support myself so I don't commit fully. Also poor credit rating...
- I would like to re-acquaint myself to what MCSC has to offer.
- It's enough with what you do.

IV: CONCLUSION

The current study clearly indicates that MCSC's Self-Employment Training Program clearly provides a much needed service to the business community. Even in these first years, before all the kinks have been worked out, the program has served 240 individuals and made it possible for a large share of them to establish and work at their own businesses. In SLO County where entrepreneurship is one important road to financial well-being, helping people achieve their goals by teaching them basic business strategy this is a very needed service. In turn, these new businesses have contributed to other's well-being by providing a significant number of additional jobs.

Participants are not necessarily who we think they might be. While they come from lower income households, they often have a substantial amount of experience behind them that will help them in their new ventures. Most are not single parents.

APPENDIX: Verbatims

Q2. Have you had any previous education or work experience that helped prepare you to become an entrepreneur before you came to MCSC?

- Undergraduate and masters degrees.
- Business classes also owned previous business.
- Masters degree in organizational management.
- Only overseeing 2 varied therapy programs while employed.
- Advertising and Marketing for 14 years.
- Did a small business on eBay auctions.
- Previously owned a tanning salon business.
- College and previous business owner.
- Owned business.
- Fashion design program at Cuesta & paralegal for 10 years.
- Family owned record shop.
- Self-employed writer.
- Running my own design business.
- I started a class through the urban league but had to quit due to scheduling conflict.
- Executive Director of American Pediatric Surgical Assn.
- Worked in this business for 7 years/ Cal Poly.
- College Degrees & prior work experience.
- Several positions in upper management.
- 28 years as a dental hygienist and advanced degree for independent status.
- Masters degree.
- BFA & Graphic Design/print work experience.
- Started current web design business in 1998.
- BFA 1982 + 30 years in advertising design experience.
- Running small business for my boss.
- 25 year accounting career and assoc. Degree.
- I had my business already.
- Teaching workshops.
- Real Estate Broker.
- Owned 2 salons.
- Accounting.
- Landmark education.
- Took WEV class.
- College and own my own business.
- It increased my knowledge on how advertise my business.
- Business owner in Mexico.
- Had own business once before and worked w/ small business owners.

11. Did your household income increase due to the assistance received from MCSC? If no, please specify why your income has not increased.

- I learned that my business needed to close. I became full-time employed by someone else.
- Not yet, but I just wrote a proposal for the transit authority and it was accepted.
- But only briefly as my business idea wasn't very viable (a fact I learned from the class work) and I took other employment.
- I'm not that far along in starting my business.
- I was & still am employed at A&R Furniture as a commission salesperson.
- I have not implemented my plan due to no working capital.
- We have not yet acted to start our own business. What we have in mind is a large change and we are in the process.
- Did not start a business.
- Business is a nonprofit activity for which I currently get no compensation.
- I have not started my business yet as I am beginning graduate school.
- Not able to find sufficient work to supplement my business and keep it afloat.
- Still in progress. My business should break even by Dec. 2006.
- Currently saving money from my day job to be able to quit and work for myself.
- Still studying & compiling information about start up business. Expanding knowledge.
- Have not started my business yet.
- Still working on finding the right business.
- I am currently attending to family emergencies but should get back on track in a couple of months to complete my relocation to Ohio.
- Because I started a non-profit.
- Could not get a loan to start my business and I called the consultant but never received an answer.
- Currently started business, but not drawing wages from it.
- Have not treated a patient/client yet. Needed to obtain provider status w/dental & Delta Dental.
- Only 1st year in business, no profits yet.
- Expect income to increase soon. Currently in development growth stage.
- Cost of living in SLO & business failed to establish in tough SLO market + high taxes.
- Business income has not increased.
- I became disabled.
- I was working full time and now I am just starting business.
- Have not started the business I did the business plan for.
- Partnership in business failed. Became sole owner in 2003. Death in family in 2004 so had to close and move.
- Haven't started business yet, cleaning up credit.
- Business is still young and I am reinvesting into.
- Have not started business yet.
- Still working on starting up business.
- I'm in the process of start up my business (Marketing Agency) and looking for a loan.
- I'm still working too many hours at other jobs to devote much time to my own business.

Q25. In what additional ways could MCSC have helped you?

- If I had attended this class earlier, I could have understood the best times to expand and by how much and how to obtain proper funding versus the equity of my house.
- A bit more help on marketing research of my profession and cash flow info. Need a sequel to class.
- More interaction with graduates (of the program) who have created successful businesses.
- I think MCSC did a very good job. I have learned much and am putting it into action.
- Credit repair, then future help with financing.
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- Find/locate resources in the SLO area for the fashion design industry.
- I have recommended MCSC to others already. Additional ways - confidence, discipline, responsibility.
- More research into existing business successes.
- More friendly in discussion when inquiring about non-profits.
- Networking, support, and encouragement
- Develop a research & information center in north county area.
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