Access to Capital Business Survey Results
Summer 2021

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Executive Summary

With the effects of COVID-19 still lingering in local communities and the realization that more needs to be done to better serve local business owners, Treasure Coast Regional Planning Council (TCRPC) partnered with the Small Business Development Center (SBDC) at Indian River State College (IRSC), and the Economic Development Council of St. Lucie County (EDC) seeking to re-evaluate current programs and procedures and help improve resources that are available, or still needed, for all new and existing small businesses.

During the months of June 2021 and July 2021, TCRPC conducted an online survey via SurveyMonkey that focused on access to capital for small businesses, i.e. loans, credit, investment capital, or other forms of monetary support. The survey consisted of 35 questions seeking both qualitative and quantitative data. TCRPC worked with economic development representatives, Chambers of Commerce, industry membership associations, and local governments in the region to conduct and disseminate the survey to business owners within the 56 communities that comprise the Treasure Coast Region of Indian River, St. Lucie, Martin, and Palm Beach counties.

TCRPC was able to reach a total of 232 business owners, nonprofits, and independent workers. Survey respondents reflected a vast array of participant and businesses demographics. At least 62.07% of those surveyed answered that they had needed funding between the years of 2018 to 2020. However, at least half of those surveyed were not able to obtain the required capital, leaving over 55.24% of those businesses under-supported.

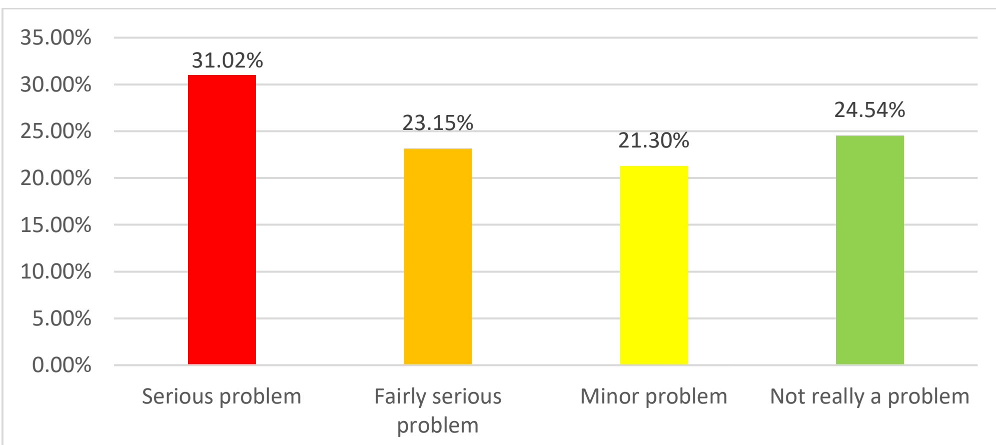

Figure 1 Is availability of a credit a problem?

Credit in terms of capital is critical for entrepreneurs as they grow their businesses. However, at least 75.47% survey participants indicated that the availability of credit was a problem. A regionally healthy small businesses community is essential for sustainable economic development and neighborhood revitalization. Entrepreneurs need access to capital, networks and guidance as they grow. Access to smart capital can help attract and create businesses, expand existing businesses, and offset contracting businesses in other areas of the economy. Frequently, worthwhile projects with great economic potential go unfunded due to the inability to access needed capital. Impacts to businesses caused by the COVID-19 pandemic highlighted weaknesses in our area's access to capital.

Challenges and concerns that were specifically collected from survey respondents from their attempts to gain access to capital in the Treasure Coast Region alluded to major systemic issues that would be hard to address, mainly bias against minority groups, bias against small business themselves as well as the concern of a "Good Ole Boy" network that favors large businesses. There are also issues that are more concrete obstacles to overcome such as the gaps that arise when a business owner lacks credit, cannot meet expectations of high interest rates, or lacks the collateral/assets needed to qualify for financial support. Furthermore, some of the most prominent and widespread challenges faced by survey participants was an overall lack of information reaching them in the community and the daunting process of acquiring funding, both of which served as major deterrents.

The following survey results are based entirely on information that was collected in general terms to keep individual businesses information confidential.

Acknowledgements

Treasure Coast Regional Planning Council, Small Business Development Center at Indian River State College, and the Economic Development Council of St. Lucie County wishes to thank all the businesses and organizations that have responded to the survey. The information gathered will help better understand their unique experiences and challenges related to obtaining funding resources for their business.

About Treasure Coast Regional Planning Council[1]

Treasure Coast Regional Planning Council (TCRPC) is one of ten regional planning councils in the State of Florida. TCRPC was created in 1976 through an interlocal agreement when representatives from Indian River, St. Lucie, Martin, and Palm Beach counties recognized the need for regional coordination.

TCRPC works for the betterment of the region through information sharing, coordinated planning, intergovernmental conflict avoidance, transportation policy, downtown redevelopment, emergency management and first responder training, environmental enhancement, and economic development. For more information, please visit: www.tcrpc.org.

About Small Business Development Center at Indian River State College[2]

For over 15 years, the Florida Small Business Development Center (SBDC) at Indian River State College (IRSC) has nourished a regional partnership between higher education and economic development to provide small businesses the intellectual capital and business experience that enables overall business growth, increased profitability, and economic prosperity. In 2019, Florida SBDC at IRSC provided over 4,200 hours of professional

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[1] Florida's Regional Planning Councils (RPC's) are public organizations that serve as bridges between state and local governments representing an area in which resources, characteristics, and issues co-exist. RPC's provide comprehensive planning and intergovernmental coordination for managed, responsible growth. Florida Statutes 186.502(4)(1) recognize RPCs as Florida's only multipurpose regional entities in a position to plan for and coordinate intergovernmental solutions to growth-related problems on greater-than-local issues, provide technical assistance to local governments, and meet other needs of the communities in each region.
https://www.flregionalcouncils.org

[2] Florida's Small Business Development Center (SBDC's) Network plays a vital role in Florida's economic development by assisting entrepreneurs in every stage of the business life cycle. Since 1976, Florida SBDCs have assisted hundreds of thousands of emerging and growing businesses by providing the professional expertise, tools, and information necessary to make sound business decisions in a complex and ever-changing marketplace. In addition to the Florida SBDC's core service offerings of consulting provided at no-cost, training, and business research, the Florida SBDC Network also provides a comprehensive toolkit of specialized services for qualifying businesses looking to accelerate market growth, including: Growth Acceleration, Capital Access, International Trade, Government Contracting, and Business Continuation. Florida Statutes 288.001 recognizes the purpose of the SBDC's is to serve emerging and established for-profit, privately held businesses that maintain a place of business in the state.
https://www.floridasbdc.org

business consulting, resulting in $60 million in government contracts acquired; $2.3 million in capital accessed. With consultants serving all of the Treasure Coast, the Florida SBDC at IRSC is funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida and other private and public partners. Florida SBDC services are extended to the public on a nondiscriminatory basis. For more information, please visit: www.irscbiz.com.

About Economic Development Council of St. Lucie County

The Economic Development Council (EDC) of St. Lucie County is a private, not-for-profit organization dedicated to promoting economic vitality in St. Lucie County through the attraction, retention, and expansion of businesses in the community. The EDC works in partnership with local governments and the private sector to advance its goals of creating more and better-paying jobs for residents, broadening the tax base and improving St. Lucie County's economic quality of life. Contact the EDC at 772.336.6250 or www.youredc.com.

Participant Demographics

Participant Gender

Figure 2 displays the data collected regarding participant gender. For this survey, data shows a good mix between "Male" and "Female" survey participants. More specifically, the distribution is 49.72% of participants being female and 50.28% being male.

Participant Age Group

Figure 3 shows that the majority of survey respondents (44.44%) are aged 50 – 64, followed by those who are aged 40 – 49 (20.56%), then those who are 65 and older (17.78%), and those who are aged 30 – 39 (15.56%). Also worth noting is the small, but present, number of business owners aged 18 - 29 (1.67%).

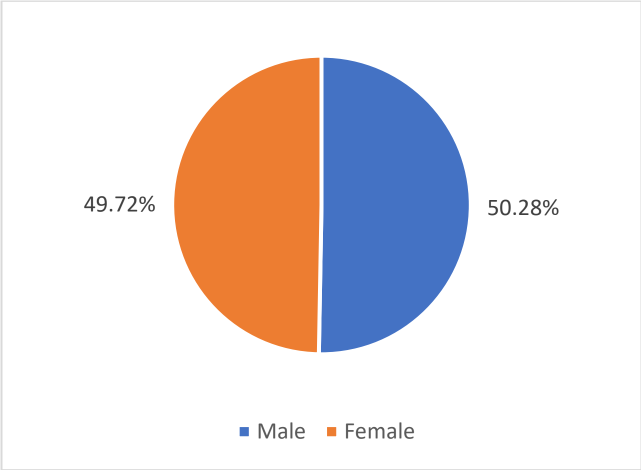

Figure 2 What is your gender?

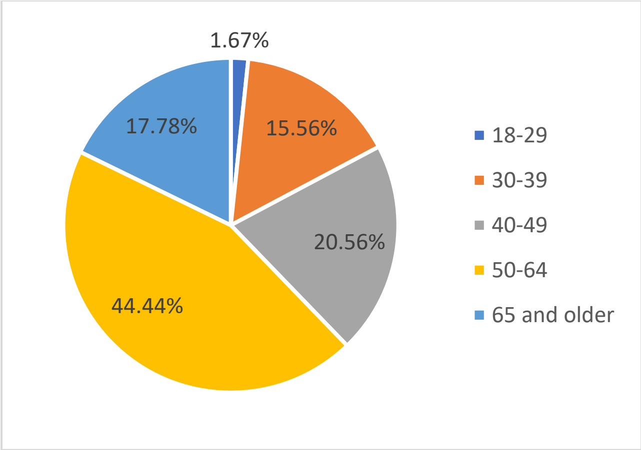

Figure 3 What is your age?

Participant Racial and Ethnic Group

Figure 4 shows that a large majority (68.72%) are White or Caucasian, there are also large groups of Black (21.23%) and Hispanic (13.41%) business owners. We also see small percentages of Native American (2.23%), Middle Eastern (1.12%), Asian American (2.23%), and others (3.35%). This indicates that there is a strong distribution of survey respondents whose experiences are shared within this data.

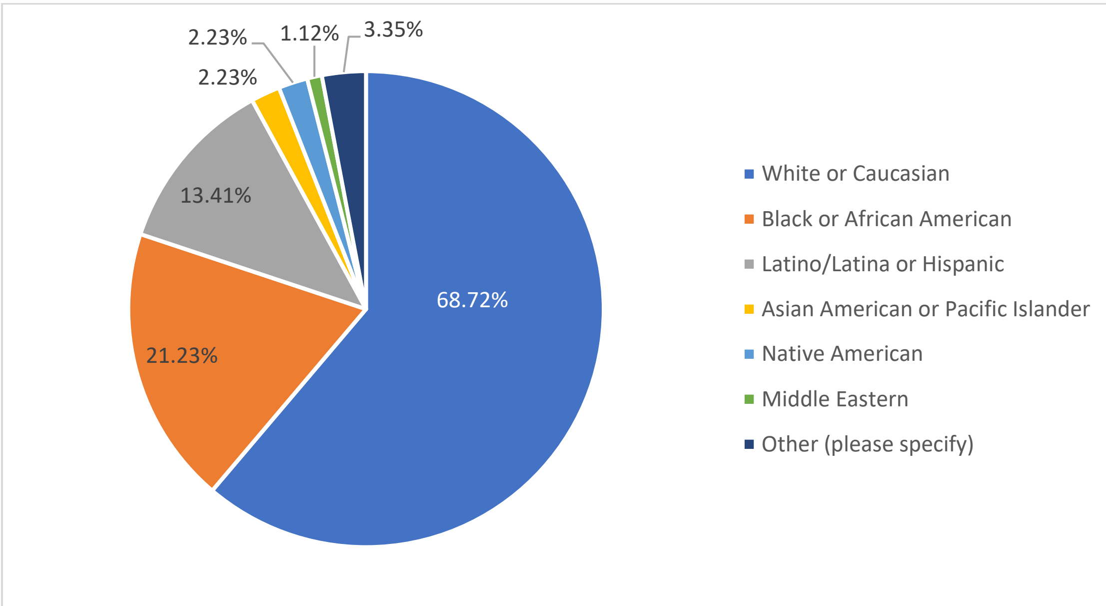

Figure 4 Chose one or more of the racial or ethnic groups with which you identify. Check all that apply.

Business Demographics

Business Regional Locations

Figure 5 depicts the distribution of business locations throughout the four counties that comprise the Treasure Coast Region in this survey. It is worth noting that some of the small businesses that were surveyed have multiple locations throughout the Treasure Coast Region. Specifically, 17 survey respondents had 2 or more locations in different counties. As indicated in the data below, there is a great level of participation from those located within St. Lucie (37.50%), Martin (33.19%), and Palm Beach (31.03%) counties with a smaller level of involvement from Indian River (9.05%).

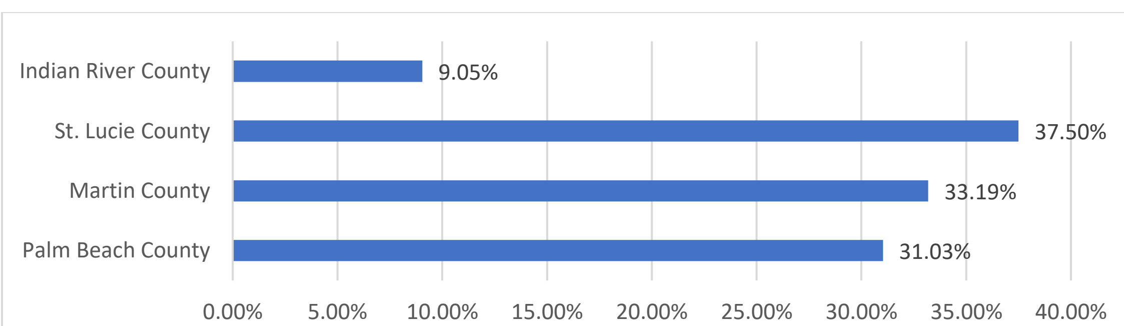

Figure 5 Where is your business located? (If you have multiple locations, check all that apply)

Regional Categorization

Figure 6 depicts the categorization for the areas of service based on the opinions of the business owners taking the survey. As this question is objective, some chose to respond with “Not Sure” (15.85%), as categorizing the areas in which they work may prove difficult. Those that chose to respond mainly classified their regions as “Suburban” (45.90%) and “Urban” (31.69%), with a minority whose regions were identified as “Rural” (6.56%).

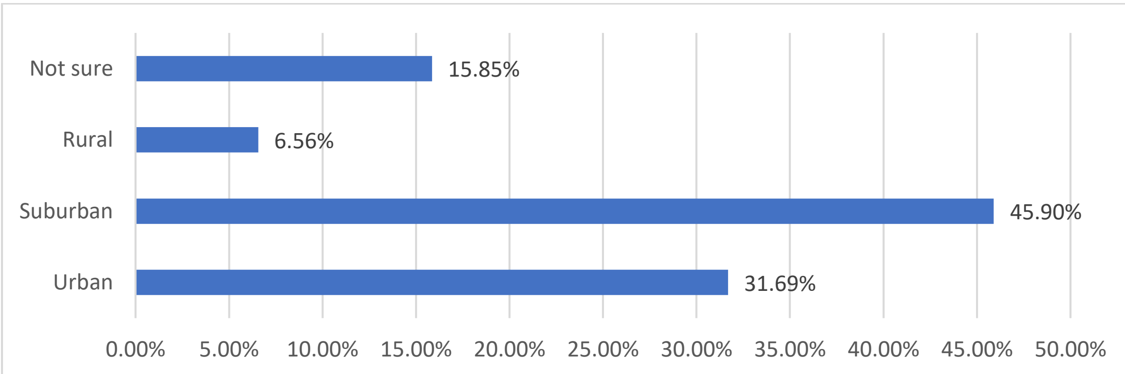

Figure 6 Which of the following would you use to describe the area in which you do business?

Years in Operation

Figure 7 shows the distribution of the number of years in operation of businesses surveyed. With these results it becomes very clear that the majority of small businesses that were surveyed in the region are young and growing ventures. Nearly 50% of survey respondents have been operating for less than 10 years. Of that group, the vast majority have been in operation for 1-5 years. This is a very important piece of information because startup and newer businesses, which make up the majority of small businesses surveyed, have been seeing much more difficulty and resistance when accessing capital.

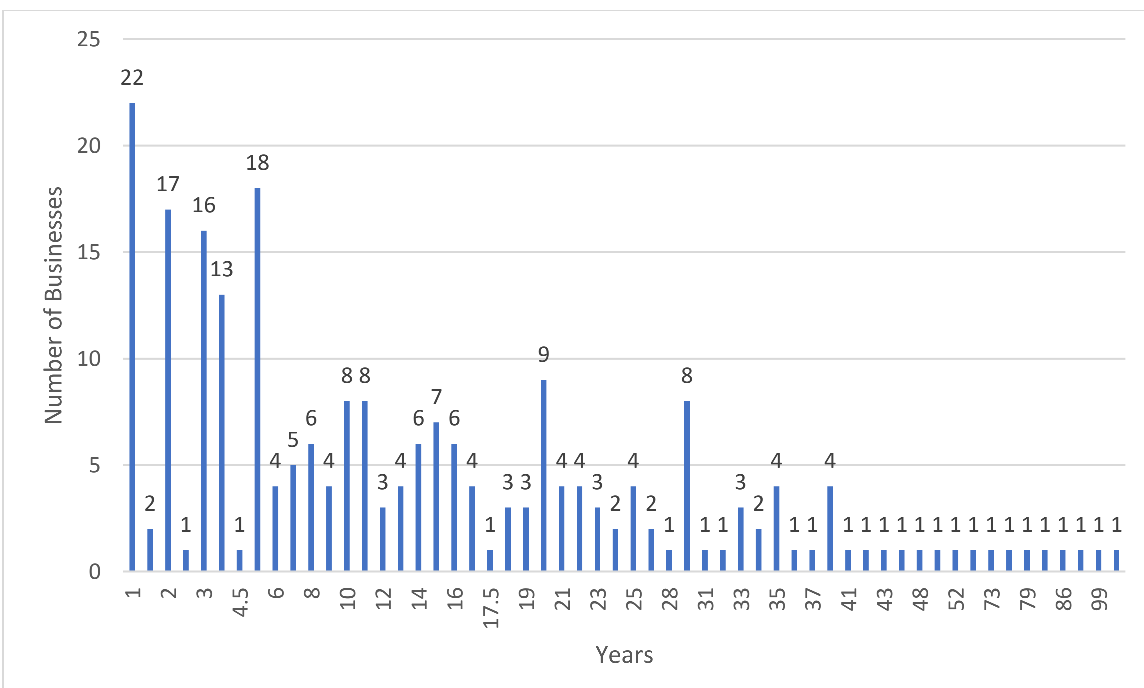

Figure 7 How many years has your business/organization been in operation?

Business Identification

While the business identification question may seem similar to the previous questions relating to race/ethnicity and gender, participants were able to pick multiple demographic options to which they most identified. Percentage totals will exceed 100% in Figure 8 due to multiple selections. According to the survey, 42.31% of businesses surveyed are woman owned, 30.77% of businesses surveyed are minority owned and 7.14% are veteran owned. The remaining 39.56% do not fall into any of these categorizations.

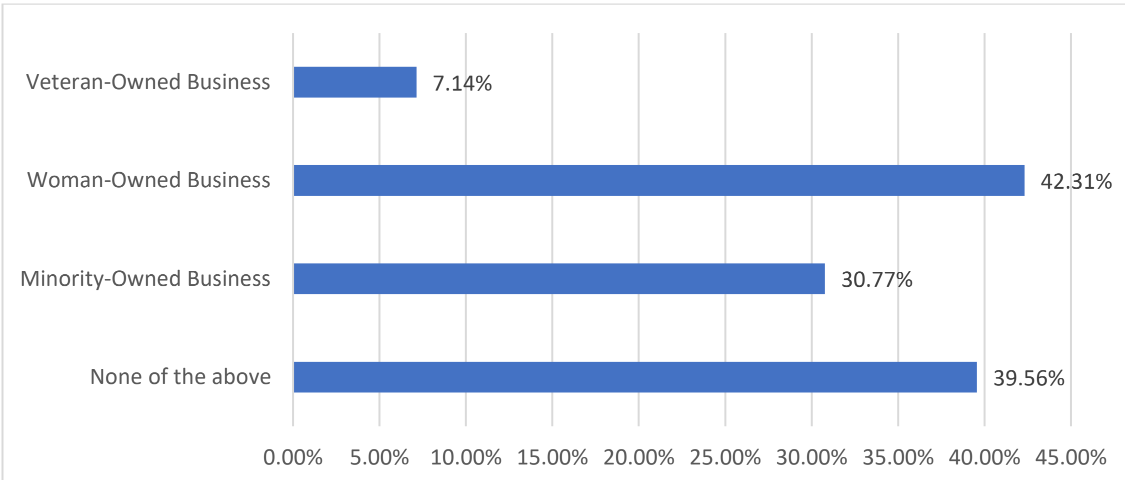

Figure 8 Does your business identify as any of the following categories?

Number of Full Time Employees

Figure 9 depicts the low numbers for full-time employment that are generated by small businesses. Of the 232 participants, 72 (31.03%) have no other full-time employees, 109 (46.98%) have 1–5 employees, 33 (14.22%) have 6-19 employees, 17 (7.33%) have 20-99 employees, and only 1 (.43%) has 500+ employees.

These numbers are not surprising or concerning as small businesses and startups will generally have a low number of full-time employees. One can see a rise in these numbers as businesses mature and grow, coinciding with data collected in Figure 7.

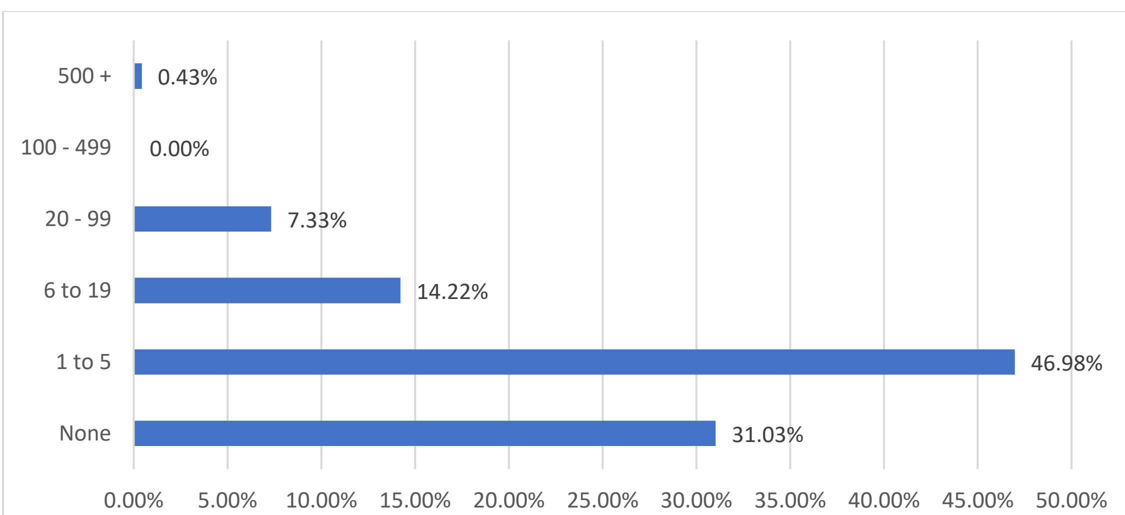

Figure 9 How many total full-time individuals, other than yourself, are currently employed by your business?

Business Categorization

The pie chart in Figure 10, depicts the variety of business classifications in the region. Most prominent are the limited liability companies (LLCs) (34.48%), followed by small business corporations (S-Corps) (18.53%), then corporations (17.24%), sole proprietorships (15.09%), non-profits (12.5%), and finally partnerships (2.16%).

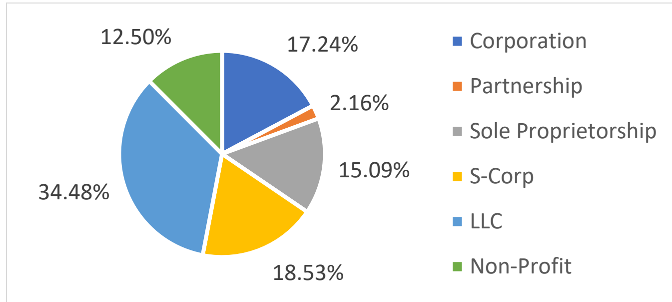

Figure 10 Which of the following best describes the structure of your business?

Industry Specifications

Figure 11 displays the vast and specialized industries located throughout the Treasure Coast Region. Most prominent among survey participants are those operating in the fields of construction, nonprofit/religious/community service realms, real estate, health care, and food & beverage. Additionally, there are dozens of other industries with prominence in the region that have been included in the data. The wide variety and specialization of these industries serves as a great indicator of a diverse and healthy local economy.

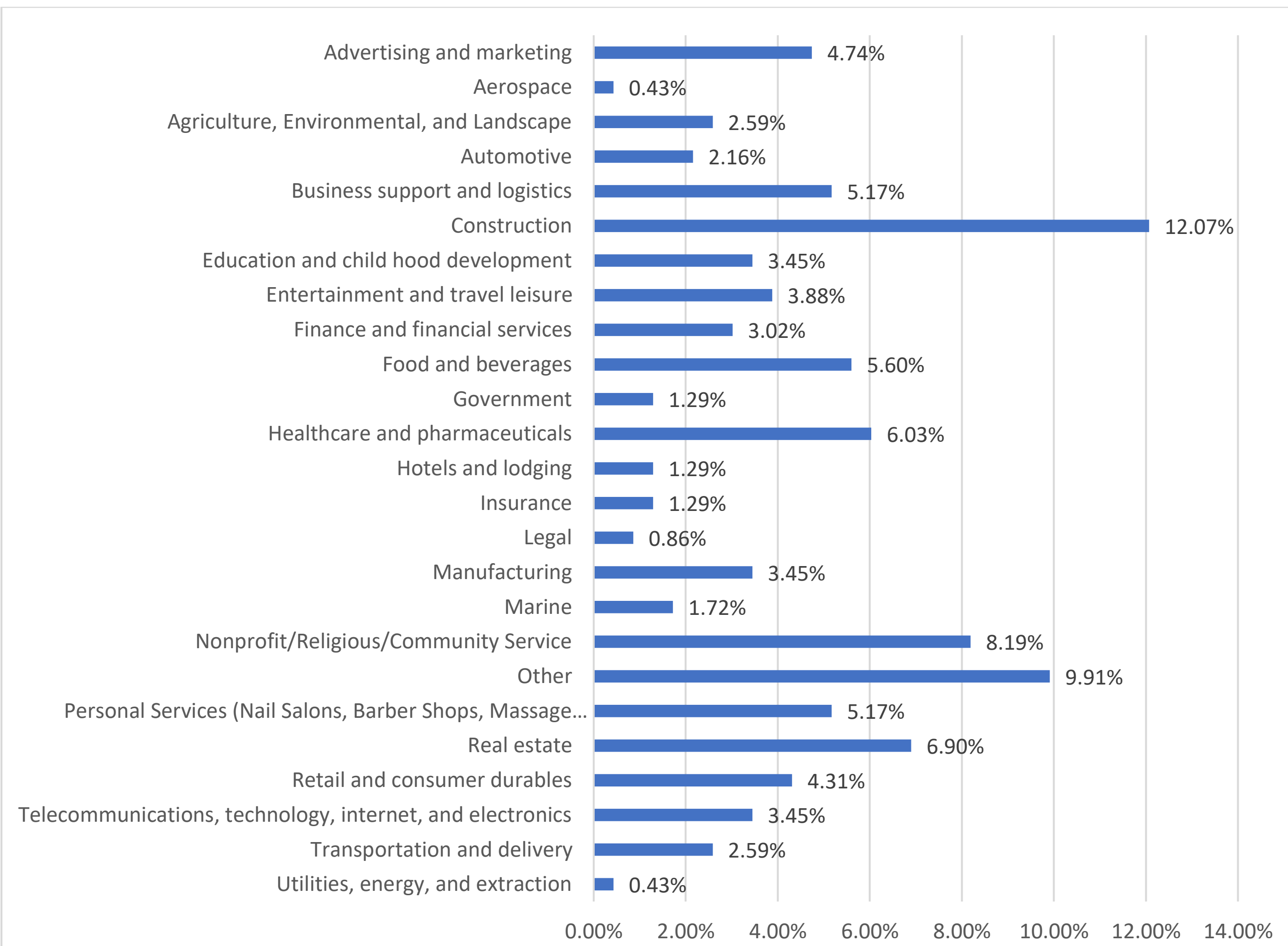

Figure 11 Which of the following best describes your industry?

Access to Capital

Yearly Gross Sales

Depicted in Figure 12 is the data pertaining to gross sales/profit from the most recent fiscal year. A large portion of small businesses reported making under $100,000 a year (45.22%), as well as the high number of those making between $100,000 and $499,999 (27.39%). Again, one can see how this information ties in with what is already known about the high levels of startup and new businesses in the region.

Still, this data could use further analysis as the majority of businesses surveyed making small gross sales and likely needed funding. A further analysis of this group specifically would prove to be very beneficial.

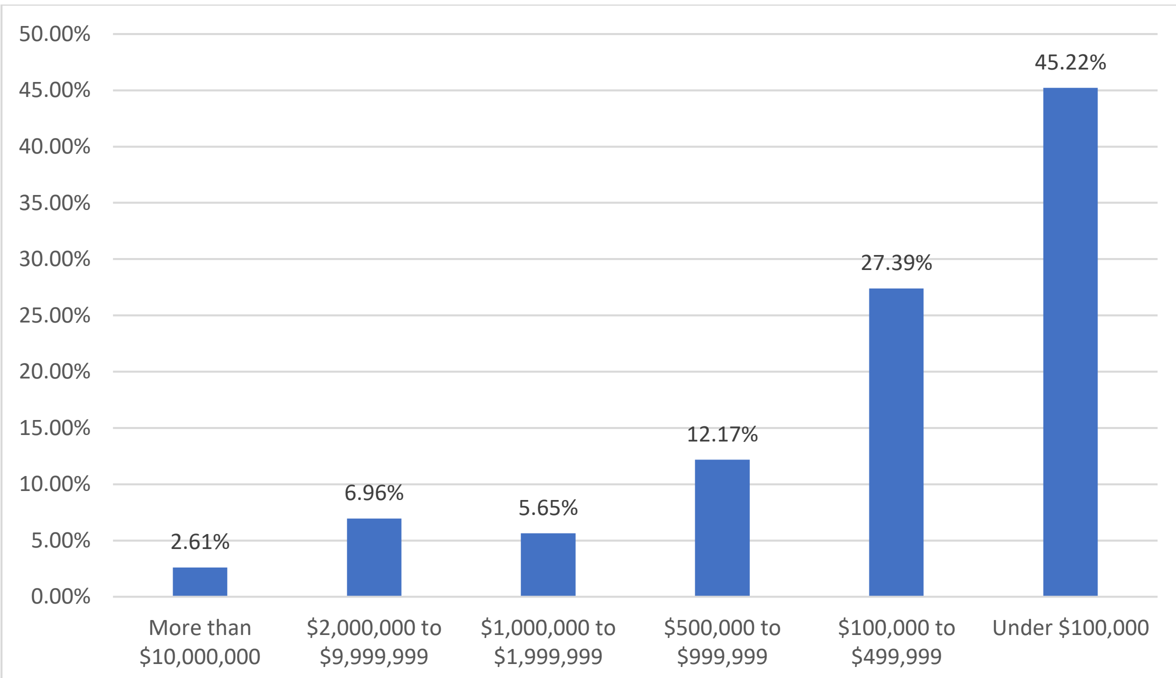

Figure 12 What were your gross sales or revenue for your most recent fiscal year?

The Need for Funding

As was touched upon previously, the assumption that can be made using survey demographics and the data from Figure 13 is that a majority of new businesses need capital access.

When directly asked, nearly 62.07% of those surveyed answered that they had needed funding between the years of 2018 to 2020 (a concerning statistic that becomes even more concerning when looking at Figure 14).

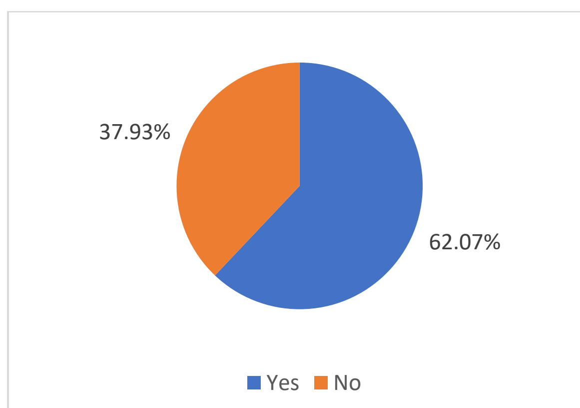

Figure 13 In the last three years (2018-2020), have you needed funding for your business?

Obtaining Needed Funds

Of those who answered "Yes" to the previous question regarding their need for business funding, at least half of those surveyed were not able to obtain the required capital, leaving over 55.24% of those businesses under-supported.

Knowing this, the next question that must be asked is, "What were the complications or roadblocks that prevented these businesses from accessing capital, and how does one go about fixing them?"

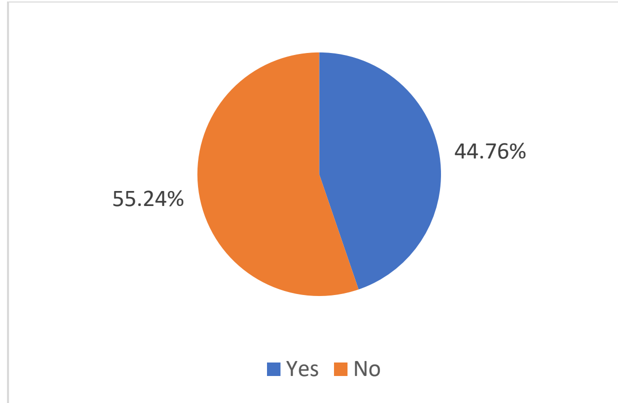

Figure 14 If yes, were you able to obtain the required capital?

Types of Funding Used

While a large portion of survey participants were unable to obtain business financing, those who were able to obtain capital used one or more of the funding types listed in Figure 15. At the top of the list it is apparent that SBA loans (55.56%) were a staple of small business owners in the region, followed by a reliance on credit cards (28.57%) and revolving lines of credit from banks (20.63%). Additionally, worth noting is the use of bank loans (14.29%), grants/donations (7.94%), and the use of business earnings (12.70%). Interestingly, PPP loans were utilized by only a small percentage of business owners (6.35%), which raises the question of why more businesses did not take advantage of this program that advertised possible loan forgiveness?

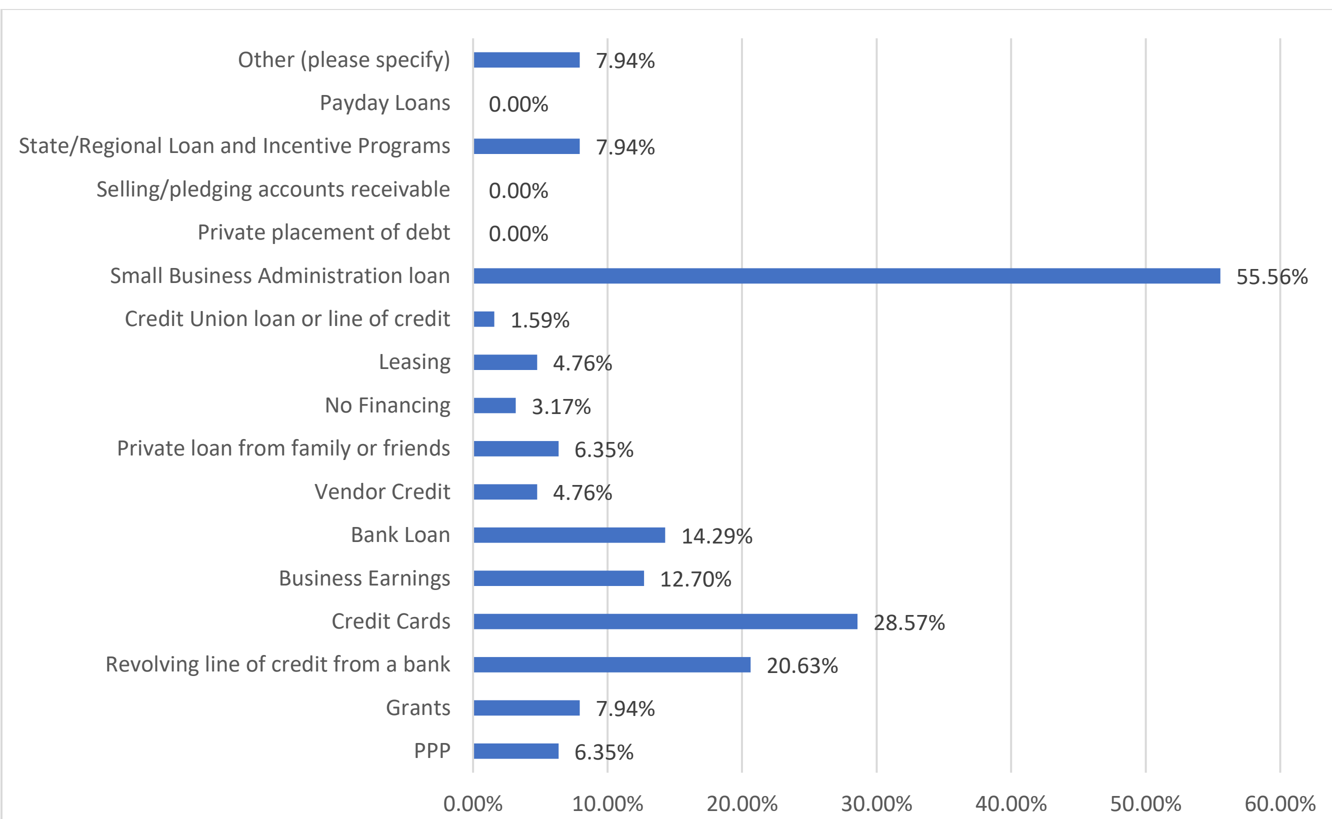

Figure 15 If yes, what type of funding did you use to meet your business capital needs? Check all that apply

Is Availability of Credit a Problem?

According to small business owners in the Treasure Coast Region, availability of credit is an issue. While 24.54% of participants say that availability is no real problem and 21.30% would call it a minor problem, the more concerning numbers arise in those who believe it to be a fairly serious problem at 23.15% and those who are certain it is a serious problem at 31.02%.

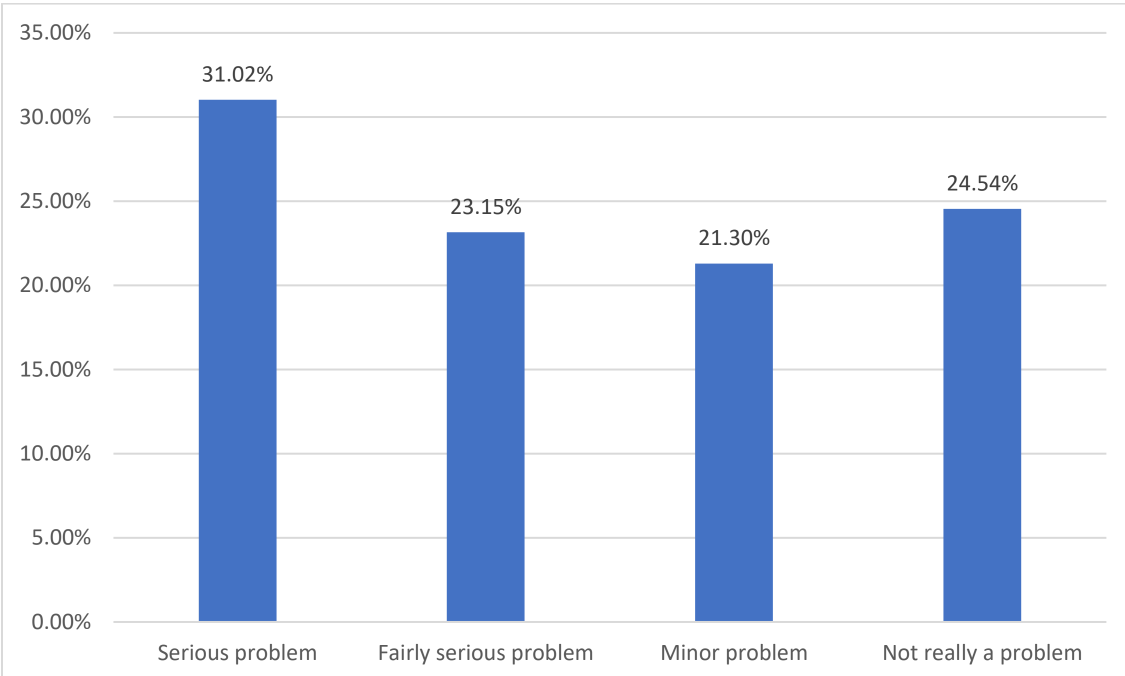

Figure 16 How big of a problem would you say the availability of credit is for your small business?

Problems Associated with Capital Availability

Through an analysis of the previous questions and associated data, one can begin to understand that small businesses located within the region are having legitimate and serious issues with acquiring capital. Even those who are able to acquire capital do not necessarily do so on the best terms. Participants were asked to touch upon the specific problems that they associated with capital availability (or the lack thereof).

Worth noting, is that nearly 20% of participants found that they had no problems or no effects on their businesses associated with capital availability. A plausible reason for this statistic could be due to businesses who were able to obtain capital, or businesses who were not in need of capital.

However, survey respondents also reported problems in the form of loss in sales (34.54%), a reduction in number of employees (24.74%), and an inability to increase inventory to meet demand (21.65%). Additionally, we see the issues of reduction in employee benefits (11.86%), inability to grow / expand operations (59.79%), and even closure of stores and branches (2.58%).

For a business experiencing one or more of these problems, there will be crippling effects on their day-to-day operations. For a small business these types of problems will eventually compound, making it even harder for them to stay afloat or even meet requirements to obtain capital support.

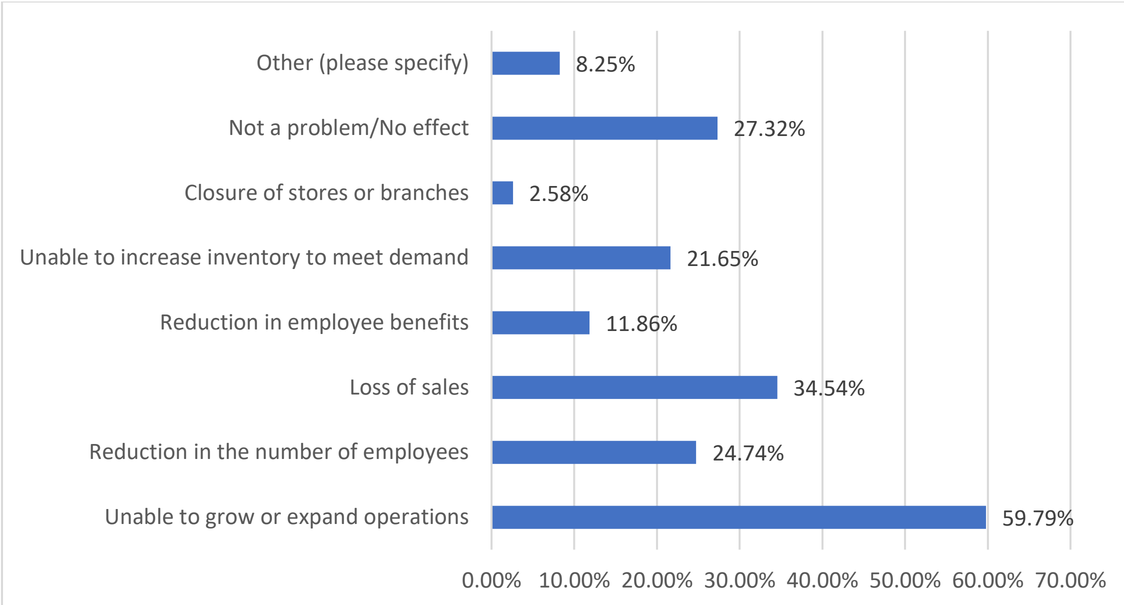

Figure 17 If capital availability has been a problem for your business, what has been the effect? Check all that apply

Personal & Commercial Property as Capital

Homes as a Source of Capital

When asked whether survey respondents had used their home as a source of capital, Figure 18 depicts that the majority of participants answered "No" at 85.71%, while the remaining 14.29% answered "Yes."

For those who answered yes, the main use was for an equity line of credit at 60%. Half of participants also refinanced their home mortgage, and a surprising 36.67% of participants had used their own home as collateral for a business loan.

While the smallest of the three, this statistic shows that small business owners are willing to utilize whatever assets they have. It is also concerning, because using a person's own home as collateral should not be the answer to a loan acquisition issue.

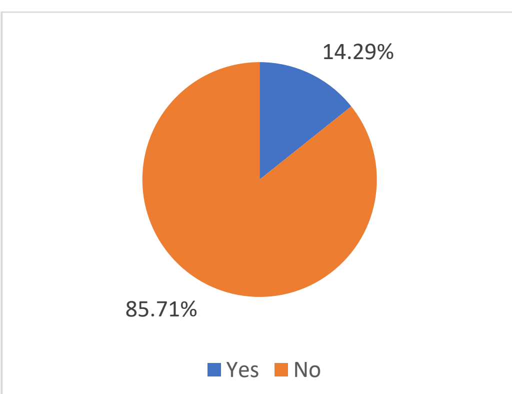

Figure 18 Have you ever used your home as a source of capital for your business?

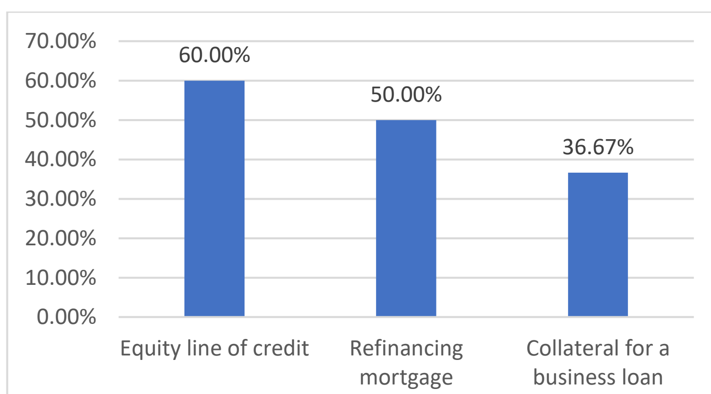

Figure 19 If yes, check all that apply

Commercial Property as a Source of Capital

Looking towards the data in Figure 20, 7.83% have used their commercial property as a source of capital for their business. The reasoning for the high percentage of no responses is most likely due to the fact that a good portion of the participants surveyed do not own commercial property, making their answer to this question a "No" by default.

In relation to those who had used their commercial property as a source of capital for their business, Figure 21 shows that 52.94% used it as collateral for a business loan, 47.06% refinanced a mortgage, and 35.29% percent used an equity line of credit. It is important to note that this appears to be a distinct shift compared to those who used their private home as a source of capital. That shift being that commercial property was used mainly as collateral, whereas private property was used mainly as an equity line of credit.

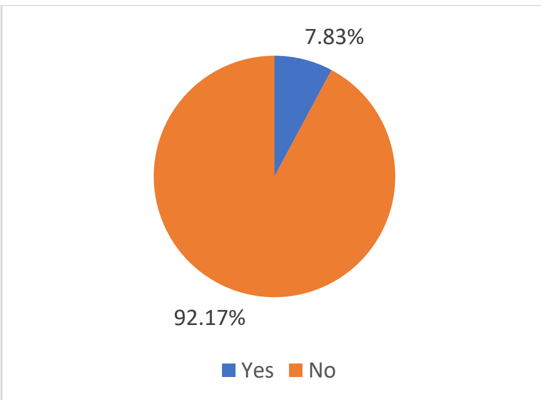

Figure 20 Have you ever used your commercial property as a source of capital for your business?

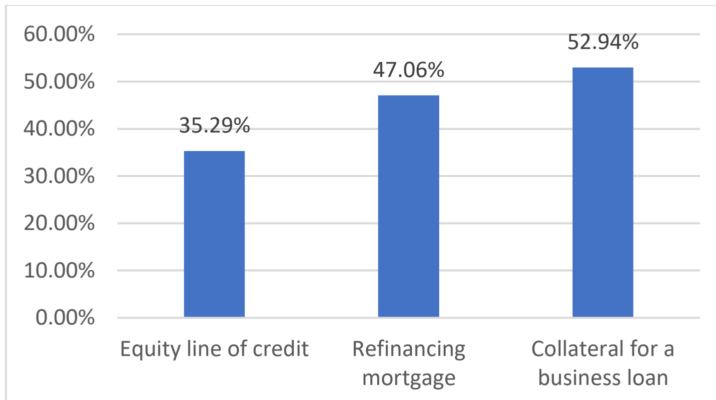

Figure 21 If yes, check all that apply

Credit Cards in Businesses

Credit Cards in Business Financing

When examining the financing options for small businesses, the use of credit cards appears to be a great asset. Surprisingly, only 65.48% of small businesses surveyed use a credit card to help finance their business, 31.47% do not, and the remaining 3.05% are unsure whether or not they do.

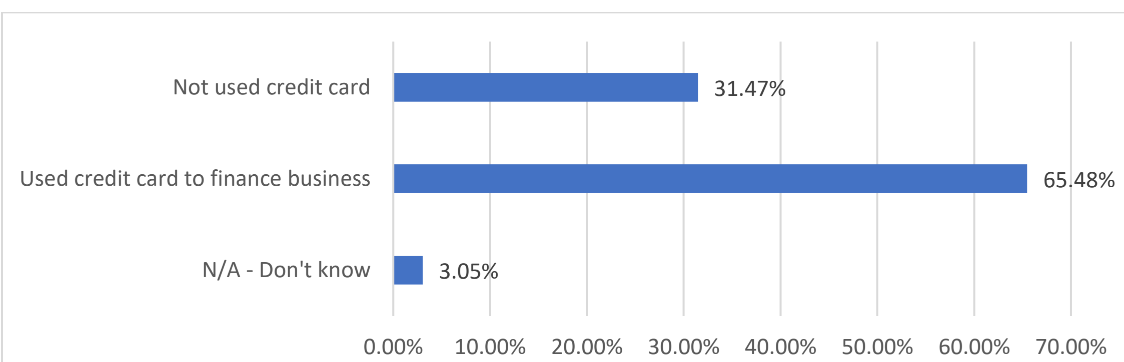

Figure 22 Have you used a credit card to help finance your business?

Credit Card Monthly Balances

When it came to monthly balances, the majority chose to either pay off their credit card bill each month (31.89%) or carry a balance of less than $10,000 dollars (31.35%). In much smaller numbers, there are those who carry a balance of $10,000 – $25,000 (9.73%), and those who carry a balance greater than $25,000 (6.49%).

It could be inferred that this trend is seen largely due to small businesses not wanting to pay interest on their credit card payments, as well as the issue of carrying a balance affecting credit scores. Hence, a huge portion of those surveyed will continue to keep their balance low or nonexistent.

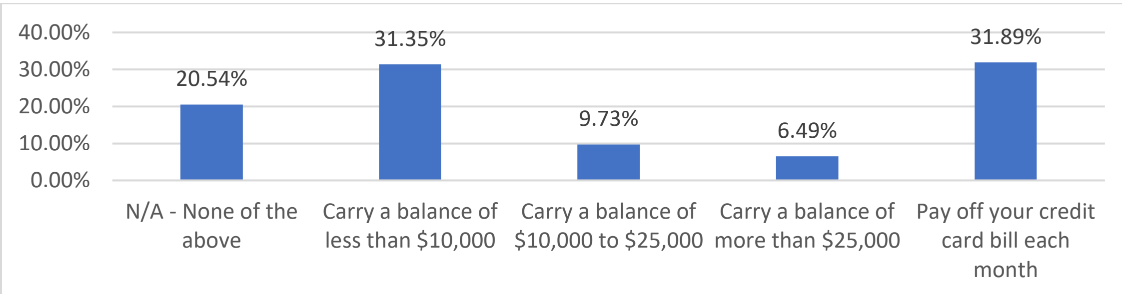

Figure 23 If you use credit cards for your business expenses, do you…

Business Loans & Financing

Assets & Equity

As seen in Figure 24, the largest number of participants are using personal (39.06%) and business credit cards (38.02%), as well as personal savings (38.54%). There are also those that are using business savings (26.56%) and inventory (23.96%) as well as accounts receivable (10.94%). One can also see larger percentages of participants who have business (17.71%) and personal property (21.35%), compared to those who have already used their property for financing as seen in Figures 18 & 20.

However, dependent on what lenders are looking for, many of these assets that have been listed do not help businesses who are seeking financing.

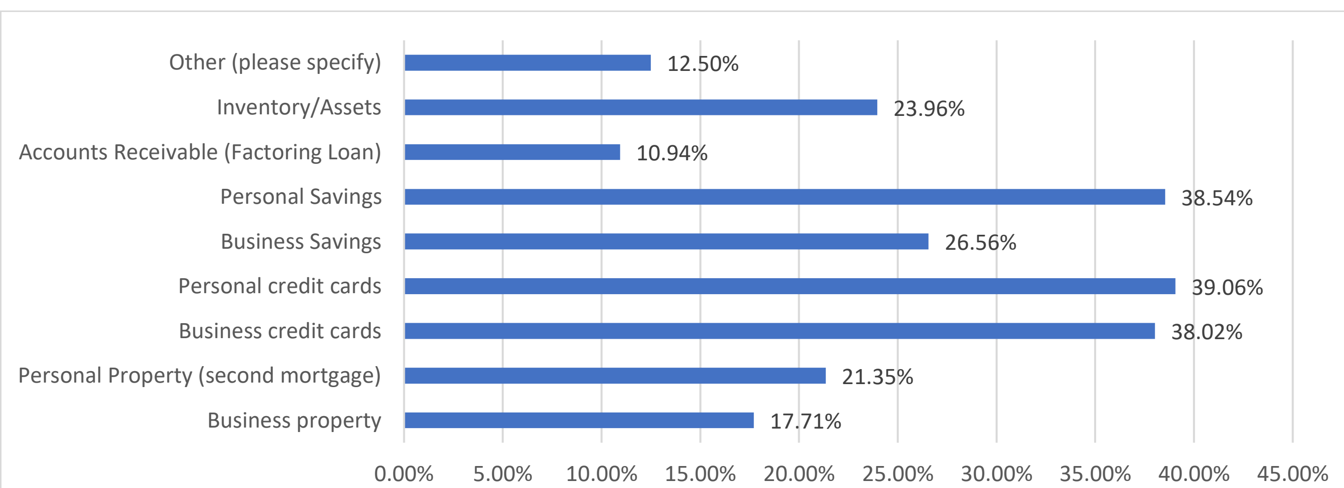

Figure 24 What asset/equity do you have to secure business loans and financing? Check all that apply.

Has the Pandemic Made Loan Acquisition Harder?

Participant responses indicate that loan acquisition has proven to be more difficult after the pandemic. Data shows that 23.47% of participants label it as “much harder”, 11.73% label it as “somewhat harder”, 11.73% label it as “harder”, and a combined 6.63% believe it is “somewhat” to “much easier”. Worth noting is the 46.43% of participants who have indicated that they do not know, which could be due to not seeking loans, or simply not knowing how to answer this question.

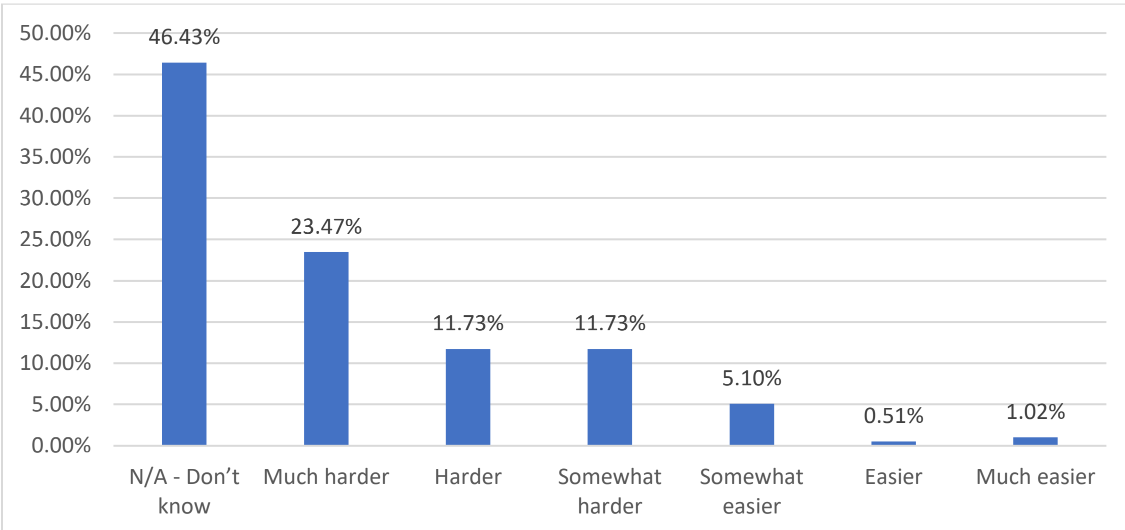

Figure 25 Is it much harder for your small business to get loans now than it was before the pandemic?

Changes in Terms

Participants were also asked to discuss how the past year may have affected the terms of business loans/lines of credit or credit cards, in terms of interest rates, late fees, time to pay in full, etc.

Figure 26 depicts that 26.49% of participants did not have outstanding loans and 16.22% were not sure. Of those with relevant answers, a healthy 32.43% had terms stay unchanged, while 17.84% were affected with less favorable terms and a smaller 7.03% were given more favorable terms.

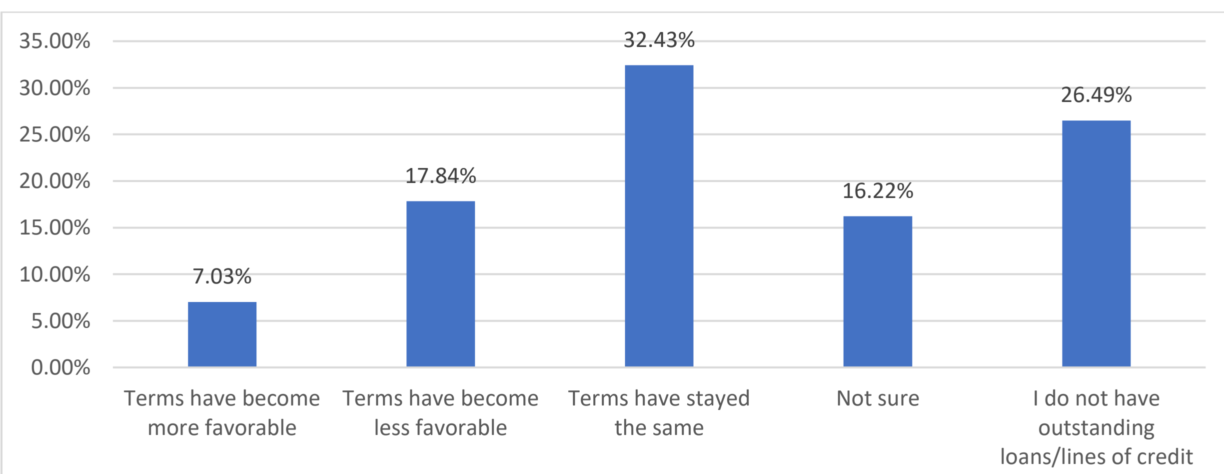

Figure 26 Over the past year, have the terms of your business loans/lines of credit, or business credit cards, including interest rates, late fees, time to pay in full, credit lines, etc., changed?

Qualifying for Financing

Figure 27 depicts whether or not participants have been turned down for financing in the last two years. A little over 36% of participants were denied, while almost 64% were able to get financing. These findings are in line with the data in Figure 25, which depicted that more than 46% of participants found loan acquisition to be harder after the pandemic. It can also be inferred that many of those who found loan acquisition difficult were likely unable to get proper financing.

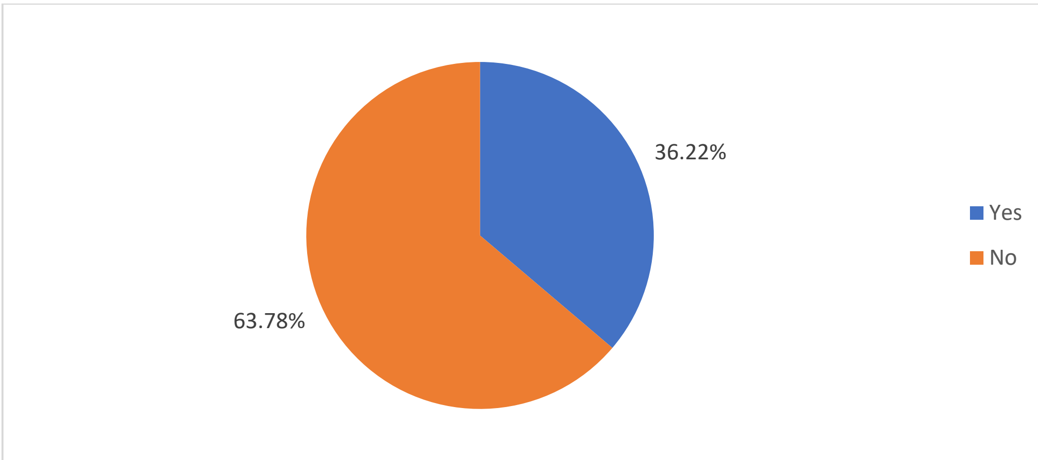

Figure 27 Have you been turned down for financing in the last two years?

Why Were Businesses Turned Down for Financing?

When looking at the reasoning small business owners were given for being unable to receive financing, most answers align with what is expected of the industry. The best examples of this are low credit score (34.04%), lack of collateral (27.66%), and lack of business tenure in the case of most startups (8.51%). Additionally, we see a small percentage (1.06%) being turned down for inability to repay a loan, as well as various other reasons (12.77%). Concerning though is the fact that 15.96% of those turned down for financing were not even given a reason. Without a known cause for being ineligible for financing, these businesses have no room for change and growth.

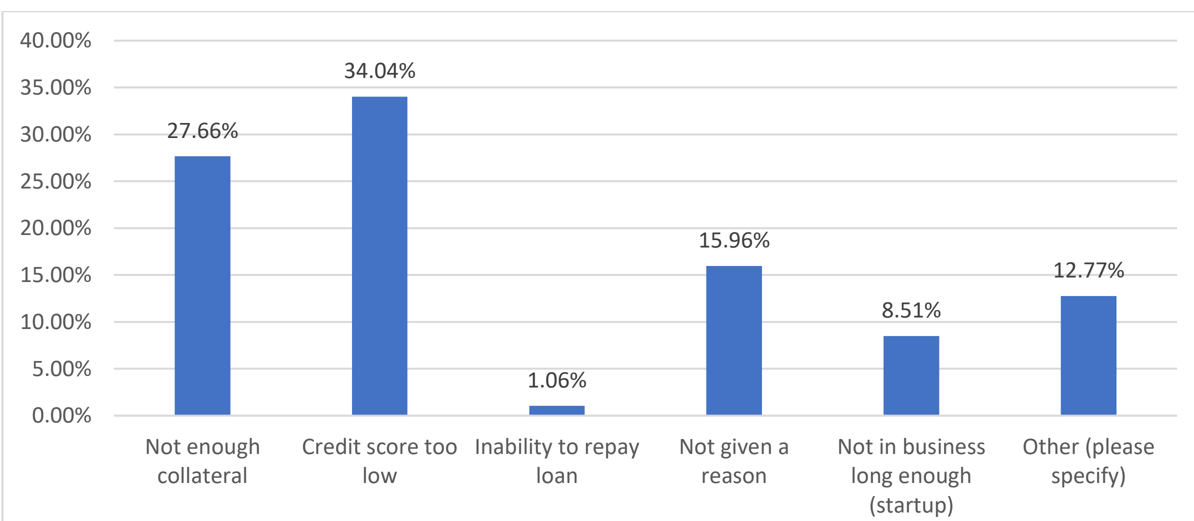

Figure 28 If yes, what were the reasons given? Check all that apply

Banking Relationships

Banking Institutions Used

To complete the picture, it is also necessary to understand what banking institutions are being utilized by small businesses in the region and to see whether this has an effect on getting business financing and access to capital. Figure 28 depicts the overwhelming presence that large banks have in communities nationwide. In the case of types of banking institutions that survey respondents have used in the Treasure Coast Region, large banks account for 62.63%, followed by small local banks at 25.79%, credit unions at 5.26%, government and non-profit lenders at 3.16%, and non-traditional and credit cards making up for the remaining percentages.

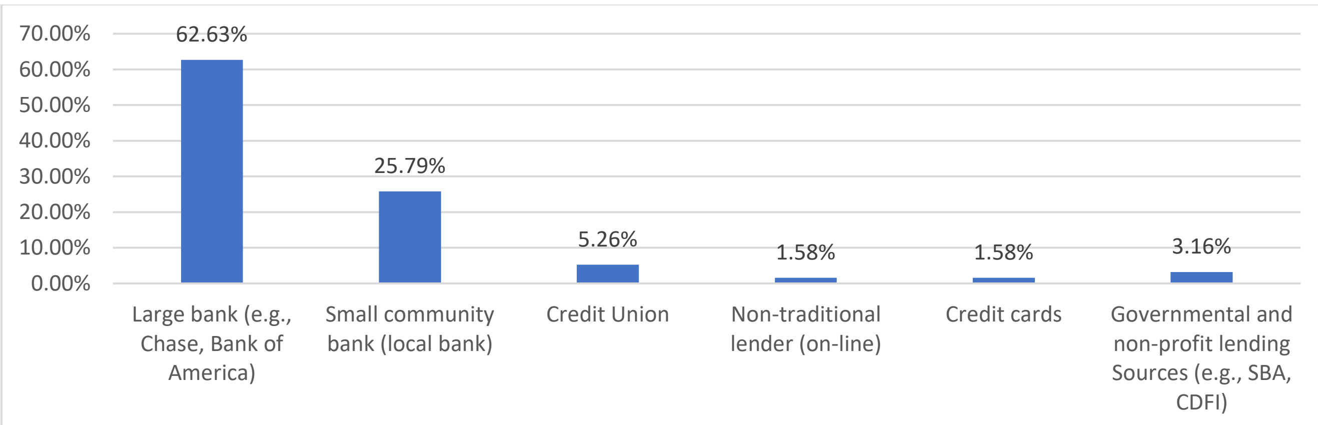

Figure 29 Which of the following banking institutions do you use for business?

Service Ranking System

After participants shared what institution they use, they were asked to rank all of them in terms of what they think "best serves the small business community" (1 being best, 6 being worst). Using the individual rankings, the amount of times each institution was given each number was compiled to provide an average score. At this point in the analysis, a higher score means that participants believe that entity services the small business community more. The results showed the following order: small community banks (4.55), credit unions (3.81), large banks (3.59), government and non-profit lenders (3.5), credit cards (3.13) and finally non-traditional lenders (2.69).

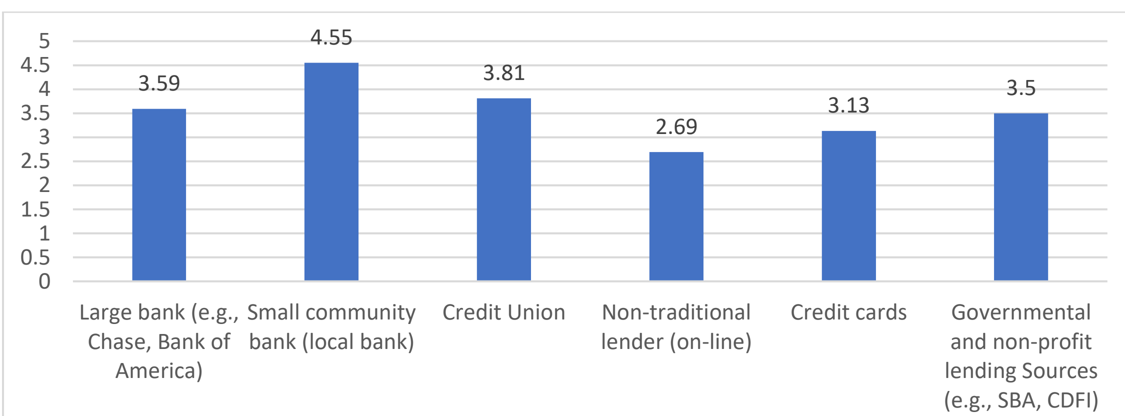

Figure 30 Rank the following in terms of which you think best serves the small business community. (1-Best, 6-Worst)

Change in Institution

Data collected for Figure 31 sought to address the question of whether participants had changed their banking institutions in the past 4 years.

A surprisingly large percentage (24.08%) answered "Yes", raising the question of what issues they had with their present institution that warranted a change?

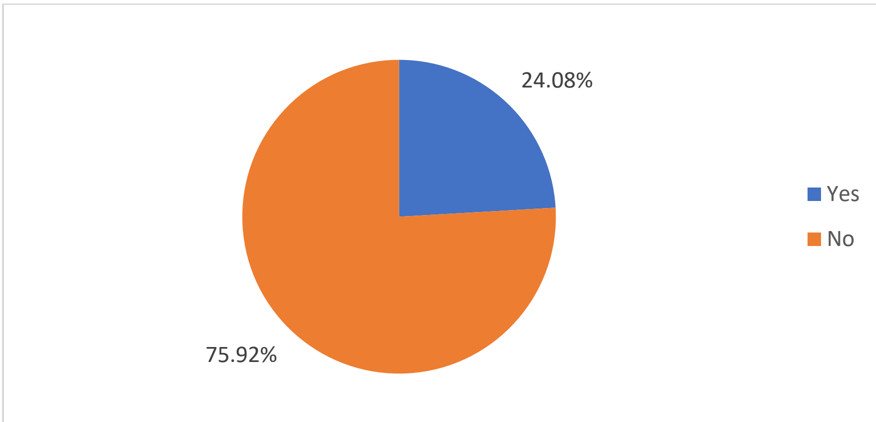

Figure 31 In the past four years, have you changed banking institutions?

What Warranted a Change in Institution?

When asked to elaborate on the reasoning behind the change, 50% of participants listed their unhappiness with the bank's current services. The next most prominent responses came from participants who were able to get better financing at another bank (15.91%), those who were turned down for a loan because of inability to obtain credit (11.36%), those who decided to bank at smaller institutions (9.09%), those who decided to bank at larger institutions (6.82%) and a smaller percentage (6.82%) cited various other reasons including being forced to change banks due to closures or changes of ownership.

Worth special attention is the 9.09% of participants who chose to change institutions simply to go to a smaller bank. This data coincides with the widely held belief that smaller community banks are thought to service small businesses better than other institutions.

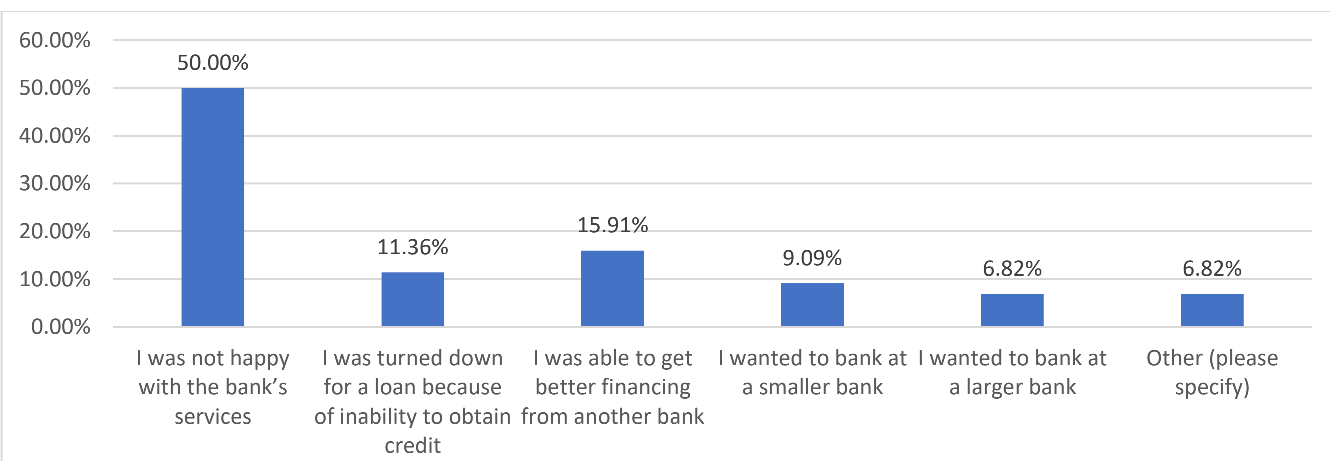

Figure 32 If yes, why?

Business Investors

Investor Types

Data in Figure 33 indicates that the majority of small business owners that have been surveyed have no investors at all (76.63%).

Of those who do, the major investor group is that of friends and family (21.20%). There are also small levels of influence from angel/venture capital investors (4.35%), individual investors (4.35%) and other businesses (2.17%).

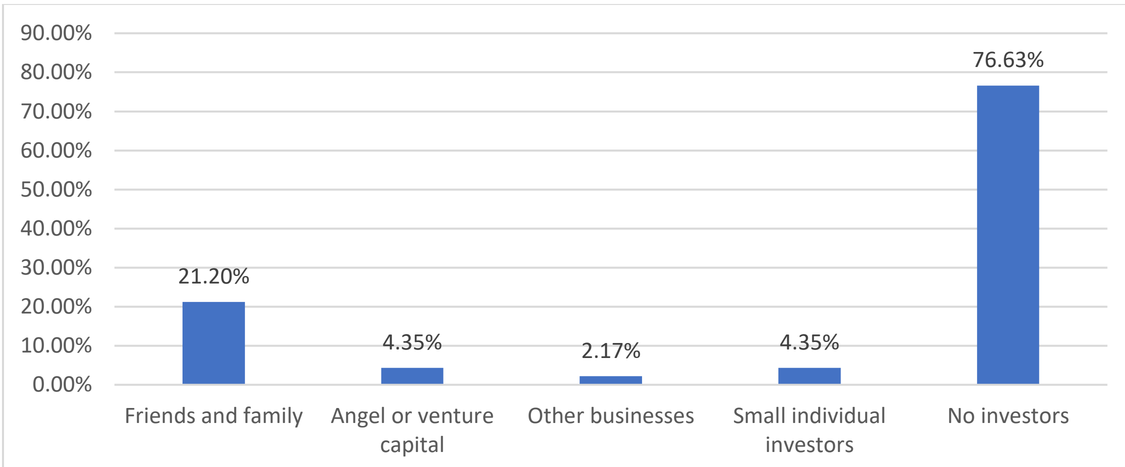

Figure 33 Do you currently, or have you ever, had any of the following investors in your business? Check all that apply.

Outside Investor Ownership

Similar to the information collected regarding outside investors, nearly 94.57% of surveyed businesses are not owned by outside investors.

Of the small amount of businesses that have given ownership of their company to investors, 2.72% have given ownership of 1-5% of their business, 1.62% have given up anywhere from 6-50% of their business, and a little over 1% have given up more than 50% of their business.

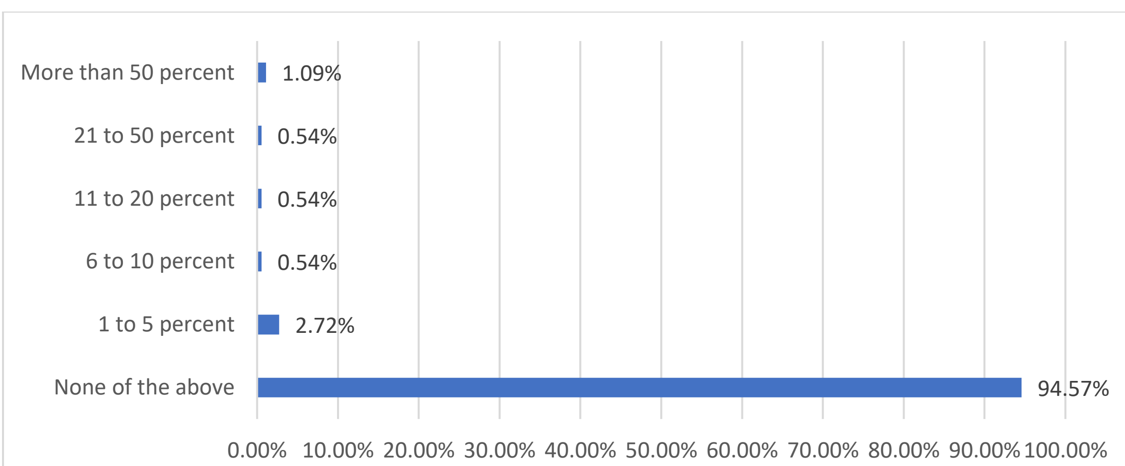

Figure 34 Approximately how much of your company is owned by outside investors?

Challenges Entrepreneurs Face Gaining Access to Capital in Treasure Coast Region

One of the last questions presented to survey participants was "What challenges do underserved entrepreneurs face in gaining access to capital in the Treasure Coast Region?" Answers were dependent on what participants had to say, making the results purely qualitative.

In the below word cloud the most prevalent themes found in the open-ended responses were collected and sized according to their prevalence. Whether or not some of these challenges are real and apparent or simply perceived is not of importance. What is important is that these are the challenges that small businesses throughout the Treasure Coast Region reported that they are facing when it comes time to gain access to capital.

Among the list of concerns, there are major systemic issues that would be hard to address, mainly bias against minority groups, bias against small businesses themselves, as well as the concern of a "Good Ole Boy" network that favors large businesses.

There are also issues that are more concrete obstacles to overcome such as the gaps that arise when a business owner lacks credit, cannot meet expectations of high interest rates, or lacks the collateral/assets needed to qualify for financial support. Issues continue to arise due to effects of COVID-19, and startups still feel like the entire process is hopeless for them. One participant put it, "Working capital is hardest to get when you need it the most." These are the issues that will need further discussion and involvement on the part of lenders in the community. These are not problems that can be magically fixed, rather ones that need to be addressed even though they are difficult topics.

Still, there are challenges that can be more easily addressed. One of which is the largest issue that small businesses feel they face, which is the lack of information that reaches them regarding programs, processes, and ways in which they can qualify for funding. In this case, it appears to not be a problem of the system itself or some hidden bias, but a lack of communication. Thankfully, this is something that can be amended. We also see similar sentiment with those who do have the information on what is available to them but are intimidated or discouraged by the process of acquiring the funding. These businesses could benefit from programs and organizations that are already in place to help guide them through the process. Additionally, there is a general feeling of distrust towards large banks, as business owners feel that interpersonal relationships are artificial or are not easily established. This is another misconception that can be overcome with appropriate marketing ventures.

Figure 35 What challenges to underserved entrepreneurs face in gaining access to capital in the Treasure Coast Region?

Tools and Strategic Approaches to Address Challenges

While participants were given the opportunity to voice concerns over the current challenges they are facing as small business owners in the region, they were also given the opportunity to discuss the strategies, approaches, and tools that would be most helpful in addressing their own challenges. Similar to the last question, answers were dependent on participants and responses have been categorized into key areas of focus.

Some of the most prominent and widespread challenges faced by the survey participants was a lack of information reaching them in the community and the daunting process of acquiring funding, both of which served as major deterrents. To address the issues of education, the survey respondents provided several unique ideas. There were those who believe organizations hosting community workshops, classes, and accelerator programs would be most helpful. There were also those who want more than just education, and the creation or improvement of small business incubators in their communities. On the other hand, there were those who saw major issues with the process of acquiring capital. These participants were split between those who would like help with navigating the process through consultants or other tools, and those who simply want the process to be simplified. As one participant put it, lenders should "Meet them where they're at"- citing the fact that the process is too much for a small business owner to deal with without the proper background.

Additionally, there are those who are unhappy with the current services being offered by banks. These participants are asking for looser requirements on programs for acquiring capital, improvements to the SBA loan programs in place, and better access to quick funding to avoid the lengthy process and long wait times for capital access. In line with this are the business owners who want new programs that are geared specifically to small businesses and are more "realistic" for their needs and capabilities.

There were also business owners who believe a diversification of personnel at lending companies would serve as a strong foundation to address the issues of racial bias, as well as the issue of poor interpersonal relationships with larger banks. Additionally, small business owners want lenders to actually be interested in supporting and helping them. Many did not know how to make this happen, but some suggested there is a need for incentive programs from state government to help generate more interest.

Figure 36 What tools, strategies or approaches would be most helpful in addressing those challenges?

Next Steps

Further Analysis of Collected Data

The analysis that has been completed in this report, while pertaining to all of the data collected, is only part of the entire picture. This is a depiction of the responses given by the full 232 participants. To gain a better understanding of the current environment for small business owners, it is necessary to look at the data through specific lenses.

This was touched upon previously, but extensive data was collected on participant and business demographics for this exact purpose. The most important areas in which this data needs to be analyzed are for minority business owners, female business owners, veteran business owners, and white business owners. By analyzing these categories separately one can get a better understanding of what each of these group's experiences. By grouping the data and looking at it this way, it will improve the understanding of the current challenges.

Another way to look at data that could prove to be beneficial would be to analyze only those respondents whose business made less than $100,000 in yearly gross sales. Similar to breaking up data by demographics, this will provide a different view in which one can analyze the responses of less prosperous businesses surveyed.