Economic Impact Analysis

of the Florida Small Business Development Center – Final Report

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The Florida Small Business Development Center Network

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Executive Summary

Since 1976, the Florida Small Business Development Center (SBDC) Network has been one of the pioneer economic and business development organizations in Florida. Florida SBDCs assist existing and aspiring small business owners create and expand by providing access to no-cost professional business consulting, business information and data, and no or low cost training – intelligence and resources generally inaccessible or unaffordable for most small businesses.

Designated as "the principal business assistance organization for small businesses in the state" [Fla. Stat. § 288.001], and designated by the Florida Board of Governors as a State of Florida Center [BOG Regulation 10.015], the Florida SBDC Network aligns its strategies and organizational capabilities with the statewide goals of the State University System and Florida's Strategic Economic Development Plan. The network delivers its business services and achieves its mission by establishing statewide partnerships among Florida's most entrepreneurial institutions of higher education and federal, state, and local economic development organizations.

Florida SBDCs provide business development consulting and education to support businesses through all stages of the business life cycle. Florida SBDCs offer qualified small businesses access to no-cost business consulting delivered by certified professional business consultants; no or low cost business development education programs that build the acumen of emerging and established business owners and managers, and access to information and research to enhance business decision making success. These key services (consulting, education, and research) seek to maximize client business success and sustainability, while enhancing the economic development goals, objectives and performance expectations of the network's funding partners, including the State of Florida. The primary goal of the network's one-to-one professional business consulting services is to increase business revenues, profitability, competitiveness, and economic prosperity for client businesses that enables job creation and overall growth of Florida's economy.

The Florida SBDC Network has assessed that there is a direct correlation between whom it serves (market segment) and the impact its services have on key economic indicators (outcomes), i.e. jobs, sales, and gross regional product. The network has concluded that emerging (Phase I) and established (Phase II) small and medium-sized enterprises (SMEs) have the greatest assessed need for business development services and greatest potential for overall economic contribution. Further, businesses in populated areas of the state have access to numerous organizations and resources serving the needs of pre-venture and early stage companies (e.g. SCORE and other non-profits and community-based programs), but few, if any, possess the expertise or experience comparable to the SBDC in serving the business development needs of Florida's primary economic and job contributors – SMEs. Therefore, it is the strategic objective of the Florida SBDC Network

is to focus the majority of its high-end, professional business development consulting to serve the business needs of Florida SMEs, while still meeting the basic service needs of pre-venture and start-up businesses principally through the network's education and information resources.

Florida SBDC consulting expertise is focused on areas of assessed business needs that are vital to accelerating the growth of businesses. The Florida SBDC Network has established a service strategy model that represents existing and targeted areas of competency for the network. Each area of competency aligns to meet the primary needs of a specific market segment, *i.e.* pre-venture individual, start-up business or established small and medium-sized enterprise. Primary and specialized areas of consulting capability include:

- Start-up Assistance
- Business Plan and Strategic Plan Assistance
- Market/Sales Growth Assistance
- Government Contracting Assistance
- International Market/Export Assistance
- Capital Access Assistance
- Cash Flow and Financial Health Assessment Assistance
- Business Management Assistance

The Florida State University Center for Economic Forecasting and Analysis (FSU CEFA) was contracted in April 2021 to conduct a study on the economic impacts of the Florida SBDC's activities. The impacts included an estimation of jobs creation and retention/saved, and the direct, indirect, and induced effects specific to output or sales/revenues, jobs, income, and value-added (GRP).

In 2020, Florida SBDCs served nearly 30,466 Pre-venture, Start-up, and established Small and Medium sized businesses (SMEs) through consulting and training. The direct effects of these consulting services on Florida's economy were 12,228 jobs created[1] and 10,947 jobs retained or saved, hence a total of 23,174[2] jobs. The combined direct, indirect, and induced economic impact jobs creation is an estimated 38,797 jobs (at a taxpayer cost of $271 per job). In 2019-2020, approximately 195,100 consulting hours were provided to clients via the Florida SBDC Network. Of these, the Pre-venture businesses received 14,271 hours of

[1] Jobs created and retained assigned to SBDC activities are measured as jobs above 'normal' growth per sector, in which normal is based on EMSI estimated employment growth.

[2] Data may not add up exactly due to rounding.

counseling (or 7.3%), and the existing business clients received 180,829 hours of counseling (or 92.7%) from the Florida SBDC Network.

Following a multi-level economic modeling approach consistent with previous economic impact studies conducted for the Florida SBDC, FSU CEFA estimated that approximately 38,797 jobs were generated, with over $7.41 billion in output or sales/revenues, $2.2 billion in labor income and over $3.94 billion in value added or Gross Regional Product (GRP), as a result of the Florida SBDC's consulting services to small established businesses (SMEs) and start-ups. FSU CEFA based its economic methodology on the previous studies conducted by the UWF HAAS Center "Impact of SBDC Business Development Activities on the Florida Economy" and Dr. James J. Chrisman's report (2012, 2017), and on other studies conducted for the SBDC's and commissioned by the Association of Small Business Development Centers. Regarding the overall goals of the present economic analysis conducted by FSU CEFA, the Florida SBDC Network requested that the study design include an economic analysis for 2020 using the IMPLAN® software model to estimate the economic impacts including direct, indirect, and induced impacts resulting from the Florida SBDC Network's consultancy services. FSU CEFA used the survey results to estimate input data metrics for each industry sector, and by region, in terms of employment, sales, and value added. Each of the nine reported Florida SBDC regions has been analyzed using the same data preparation and modeling methodology. The economic impacts of the Florida SBDC in 2020 are summarized in the following Table ES1, and include the total output or sales/revenues, the total jobs created and retained/saved, total labor income (wages), and the total value added (GRP).

Table ES.1: Impact of FSBDC Activities in 2020

Type of Impact*	Statewide Impact
Sales/Output	**$7,412,487,197**
Total Jobs	**38,797**
Labor Income	**$2,202,682,268**
Value Added/GRP	**$3,938,991,527**

*The total economic impacts include direct, indirect and induced impacts

Introduction

Congress established the Small Business Development Center (SBDC) program in 1980 as part of Chapter 21 of the Small Business Act. The program was intended to help strengthen existing and prospective small businesses by linking them with the knowledge and resources of the federal, state and local governments and the knowledge and resources of the academic community through a network of "Small Business Development Centers," who would provide access to business expertise for aspiring and existing small business owners. Congress envisioned that, because of this shared partnership and assistance, more small businesses would start, gain access to capital, improve competitiveness, and contribute to the growth of local, state, and federal economies.

America's SBDC national network consists of 63 federal recipient organizations (*i.e.* networks) - one in each state, four in Texas, six in California, and one in the District of Columbia, Puerto Rico, the Virgin Islands, Guam and American Samoa. The national SBDC program, under the general administration of the U.S. Small Business Administration (SBA), is the largest small business development program in the United States.

According to its 2019/2020 Annual Report, the Florida SBDC Network has an annual budget of $19.6 million,[3] and over 200 employees, of which more than 150 are professional business consultants and specialists with years of economic development and small business ownership experience, making Florida the largest SBDC program in the nation.

The Florida SBDC Network Headquarters, among other things, is statutorily responsible for assuring that SBDC services are available statewide and evaluating the network's professional services. Specifically, the CEO for the Florida SBDC Network is required by state statute to annually report to the President of the Senate and the Speaker of the House of Representatives on the network's progress and outcomes for the previous fiscal year.[4] The report must include aggregate information on businesses assisted by the network; network services and programs; the use of all federal, state, local, and private funds received by the network and the regional small business development centers, and the network's economic benefit to the state. The report must contain specific information on performance-based metrics and contain the methodology used to calculate the network's economic benefit to the state. In its most recent annual report (2019-2020), the Florida SBDC Network reported to have delivered over 224,303[5] professional business consulting hours to

[3] From data demographic sheets provided by James Gray of the Florida SBDC to CEFA on May 14, 2021.
[4] Florida Statute 288.001(8)(b)
[5] From data demographic sheets provided by James Gray of the Florida SBDC to CEFA on May 14, 2021.

over 30,466 clients[6] (aspiring and existing business owners). As a result, SBDC services helped client businesses create and retain/save 37,966 jobs, increase sales by $4.4 billion, acquire $488.1 million in government contract awards, and access $553.5 million in investment capital.[7]

In April 2021, the Florida SBDC Network[8] contracted with the Florida State University Center for Economic Forecasting and Analysis (FSU CEFA)[9] to conduct an economic impact analysis of the Florida SBDC programs' impact on Florida's economy. The economic impact study is based on client survey data collected by the SBDC, covering its nine regions.[10] The survey data collected was provided to FSU CEFA in May 2021, by the Florida SBDC's Network Headquarters.

The purpose of this FSU CEFA economic impact study was to provide an economic impact analysis of SBDC's activities in Florida, in 2020. FSU CEFA based its economic analysis methodology on the methodology used in prior reports, which began in 2010-2011 with a report by Dr. James Chrisman of Mississippi State University, and where reporting was continued by the HAAS Center, thereafter. FSU CEFA maintained a similar format and methodological approach as the previous studies, and applied methodological improvements, where appropriate.

FSU CEFA received data from a survey conducted by the Florida SBDC Network (and conducted on a national level). The survey tallied 3,573 responses to the survey questionnaire (*i.e.* 18.6 percent response rate).[11] It was assumed that the respondent's results represented the entire population of clients, which was defined by all clients who received at least one hour or more of SBDC consulting services in 2019-20. For purposes of this report, the employment changes that occurred in this sample of SBDC clients were compared to changes in employment of all businesses in Florida using the annual report of the Economic Modeling Specialists, Inc. (EMSI).[12] The resulting incremental growth (as in deviation from EMSI) was assumed to reflect the sample's performance due to SBDC's activities. These results were then further extrapolated to the entire client population of the SBDC. By doing so, the research team was able to estimate tax revenues generated due to SBDC consulting. The tax revenues generated by clients were subsequently

[6] Florida SBDC Network 2019/2020 Annual Report. Retrieved from: https://floridasbdc.org/wp-content/uploads/2021/04/Statewide-Impact-Sheet-Apr-Update.pdf
[7] Florida SBDC Network 2019/2020 Annual Report. Retrieved from: https://floridasbdc.org/wp-content/uploads/2021/04/Statewide-Impact-Sheet-Apr-Update.pdf
[8] Florida Small Business Development Network (Florida SBDC). See website: http://floridasbdc.org/
[9] FSU Center for Economic Forecasting and Analysis (FSU CEFA). See website: http://www.cefa.fsu.edu
[10] With 9 regional offices, 45 satellite centers, and over 50 outreach locations, serving all 67 counties
[11] The survey was distributed to a total of 19,183 SBDC clients in Florida.
[12] EMSI 2020 data was provided by the UWF HAAS Center to the FSU Center for Economic Forecasting and Analyses on May 25, 2021.

compared to the total Florida taxpayer cost of the Florida SBDC Network as a measure of cost-effectiveness and return-on-investment.

FSU CEFA estimated the jobs created and retained/saved due to the consulting services provided to SBDC's clientele. Independent contractors' employment changes were also added in total (*i.e.* self-employed) as EMSI employment data does not reflect self-employed. The subset of Pre-venture was not analyzed due to insufficient survey data from the respondents. The Florida SBDC Network consulted approximately 30,466[13] clients during 2019-20, including Pre-ventures, Start-ups, and existing businesses.

The Florida SBDC Network Programs

In Florida, the designated federal and state recipient organization for the Florida SBDC Network is the University of West Florida (UWF) in Pensacola, Florida. As the designated recipient, UWF is responsible for establishing and maintaining a Lead Center, commonly referred to as "Network Headquarters." As the recipient organization, UWF is responsible for establishing a Network Headquarters and Network of Service Centers to provide SBDC services statewide.

Federal and State law define that the Florida SBDC Network Headquarters is responsible for establishing and leading the network, including, but not limited to, managing overall program development, service coordination, financial management, reporting, promotion and public relations, evaluation, assessment and internal quality control over statewide network services.

Since its inception in 1976, the Florida SBDC Network has evolved into a network of 45 university, college, and community-based centers. Today, the Florida SBDC Network, under the leadership of UWF and Florida SBDC Network Headquarters, is a statewide partnership of nine host partner regional centers: eight state universities and one state college.

[13] From data demographic sheets provided by James Gray of the Florida SBDC to CEFA on May 14, 2021.

Table 1. Host Partner Institution and Year Center Established

Host Partner Institution	Center Established
University of West Florida (UWF)	1976
Florida Agricultural and Mechanical University (FAMU)	1980
University of North Florida (UNF)	1980
University of Central Florida (UCF)	1980
University of South Florida (USF)	1980
Florida Gulf Coast University (FGCU)	1997
Indian River State College (IRSC)	2009
Florida International University	2014
Florida Atlantic University	2017

Florida SBDC Services

The Florida SBDC Network provides access to confidential, no-cost, professional business consulting to aspiring and existing small and medium-sized businesses. Florida SBDC consulting services are defined as substantive advice, counsel, guidance, or instruction that meets the specific needs of a qualified client concerning the formation, management, financing, and operation of the small business enterprise. Core and specialized consulting expertise focus on areas of assessed business need vital to accelerating the revenue and job growth of small and medium-sized businesses. Florida SBDC areas of expertise include:

- Access to Capital – Experts that assist existing and prospective businesses access capital for business investment and expansion. Consulting expertise includes providing loan package services, such as assessing capital need, identifying and assessing potential debt and/or equity funders and/or other financing alternatives; assisting in the preparation of applications, projections, pro formas or other support documentation for the request for a loan or other

request for financing/investment; preparing a client for lender/investor presentations, or facilitating conferences with or responding to lender/investor inquiries on behalf of a client business.

- Business and Strategic Planning – Experts that assist existing and prospective businesses with strategic or business plan development and/or implementation. Consulting expertise includes assistance with analyzing the business' mission, vision, strategies and goals, overall critique of plan, and performance measurement and accountability. Consulting assistance may also include the facilitation of strategic plan development for select target market client businesses.

- Business and Financial Management – Experts that assist existing businesses with general business management and business cash flow and financial management. Consulting expertise includes assistance with cost control management techniques, financial analysis health checks, building financial management strategies and solutions using financial analysis/strategy software.

- Market and Sales Growth - assists existing businesses with marketing plan and strategy development to expand existing or access new revenue markets that increase small business revenue and job creation. Expertise includes assistance with conducting strategic research to identify new markets, preparing, and analyzing sales and financial projections, and ability to professionally critique a business marketing plan or campaign for expanding into a new market.

- Start-up Assistance – Experts that assist entrepreneurs start a new business, including providing guidance on business formation, structure, registration, regulation, and business taxes, and basic guidance and critique in the development of a business plan.

Specialized of Expertise:

- Business Continuation and Disaster Specialists – Specialist that assist existing businesses mitigate the impact from a manmade or natural disaster. Business Continuation and Disaster Specialists expertise includes assistance with developing business continuity plans to prevent, mitigate and recover from potential threats to a business. In the event of disaster, specialists assist with business recovery efforts, including serving on the State Emergency Response Team (SERT) ESF-18 (Business Industry) to assist in the assessment of business impact, assist in the coordination of business response, and assist impacted businesses in the application of disaster assistance.

- Government Contracting – Specialists that assist existing businesses interested and positioned to acquire government contracts with the Department of Defense (DOD), other federal agencies, state and local government agencies and government prime contractors. Government Contract Specialists' expertise includes assistance with bid/proposal preparation, securing registrations, securing federal and state certifications, marketing and bid solicitation, connection with agency buying officers and prime contractors, and contract administration and performance.

- International Trade and Export - Specialists that assist existing businesses interested and positioned to expand internationally. International Trade Specialists expertise includes assessing business export readiness, and researching, identifying, and planning how to export to international markets, and developing and implementing international export strategic plans for new-to-export, new–to-market businesses.

The objective for providing access to these professional services is to help client businesses be more competitive with their large counterparts, achieve long-term survivability and grow revenues and employment as a contribution to the Florida economy.

Florida SBDC Funding Resources

Access to no-cost, certified SBDC professional business consultants and specialists is funded in part through a partnership with the U.S. Small Business Administration (SBA), Defense Logistics Agency (DLA), State of Florida, host partner universities and colleges, and local public and private partners. In 2020, sources of program revenues included $8.1 million in federal funding, $4 million in state funding[14], and $6.5 million in local match funding.

[14] An average state investment of $4 million (since 2014) was examined in this study. An average state investment was used in order to best capture the SBDC's slight carry forward that is expended in the following year.

Literature Review

Origin and Mission of the Small Business Development Centers

Since the late 1970's, business incubator growth has continued to grow in the United States. As result of this growth, there has been an interest to conduct economic studies evaluating these incubators' impacts (Allen and Weinberg 1988; Campbell and Allen 1987; Campbell 1988; Baumol and Strom, 2007; David Summers, 2015). Various studies have assessed incubators' performances based on: 1) the impact on economic development, specifically on job creation, 2) the businesses' successes, 3) the increase in employment and sales, and 4) the retention of firms in the local area after leaving the incubator (Deborah M. Markley and Kevin T. McNamara 1996). One difficulty in comparing the results of these impact evaluations arises from the fact that both public and private entities have established incubators, but with different objectives. The incubators are sometimes linked with job-training programs and designed to provide job opportunities for unemployed individuals. On the other hand, incubators can also be linked with universities, with incentives for product development, commercialization, and employment of highly skilled graduates. Other incubators may have restrictions on the type of firm that may participate. Hence, the success of each incubator must be evaluated respective of its objectives and operating restrictions.

Concerning the Small Business Development Center (SBDC) programs, the United States Congress established the program in 1980 as part of Chapter 21 of the Small Business Act, after the successes of an eight state-pilot effort, including the state of Florida. The SBDC program's mission is to help strengthen existing and prospective small businesses. In other words, the mission of America's nationwide network of SBDC's is to help new entrepreneurs realize the dream of establishing and owning a business. In addition, SBDCs assist existing businesses to remain competitive in the complex marketplace of an ever-changing global economy.

In order to implement these goals, the SBDC programs triangulate, or link, their firms/clients with the knowledge and resources of the Federal, State and local governments, and the academic community, through services delivered by a state-wide, nationwide network of SBDC's. Congress envisioned that small businesses would start, grow, and prosper, have access to capital and other resources, improve their market competitiveness, and contribute to the improvement of state and local economies through job creation. However, as the SBDC programs are funded by the public sector, there exists an understandable demand for a quantitative, economically based, impact study. Therefore, the SBDC Act of 1979 (Title II of P.L. 96 - 302) requires an annual economic impact study be conducted for each State SBDC program. Further,

Florida Statute 288.001(8)(b) requires the Florida SBDC report annually to the Florida Legislature the network's economic benefit to the state.

The results of the economic impact analyses assist in continuing to build effective programs and provide a useful fundraising or leveraging tool at both State and Federal levels. The impact results could also be a valuable management tool for SBDC network leaders in estimating the performance of individual centers if data is available and categorized at the center-level. The national evaluation results should be made available on a regular cost-effectiveness basis by aggregating the individual centers and standardized statewide methodologies (John B. Elstrott et al., 1987). The need for a standardized evaluation model is straightforward. The purpose of the evaluation model is to allow for consistent and accurate performance comparisons across years and between States, which would prove particularly useful for national evaluation and funding purposes. Per John B. Elstrott (1987), the best approach would be a mix-design method (*i.e.*, a combination of both qualitative and quantitative programs).

Small Business Development Current Literature

Ninety-nine percent of all the registered firms in the U.S. are regarded as small businesses, based on an estimation of the SBA (U.S. Small Business Administration, 2016; Rolleri, Nadim, and Lussier, 2016). The SBA Office of Advocacy defines a small business as one that employs fewer than 500 employees.[15]

It is often asked why some businesses succeed and others fail. The following are listed as the main determinant factors for success: capital, record keeping and financial control, management experience, professional advisors, education, staffing, product/service, economic timing, age, partners, minority, and marketing (Lussier and Halabi, 2010). Under-capitalization, lack of planning, trade credit, tax burden and regulation, personal issues, unrealistic expectations, poor cash flow, loss of key personnel, growing pains, lack of technology, poor location, natural disaster, poor record keeping, and failure to use advice, are regarded as main reasons leading to business failure (Bradley and Cowdery, 2014). External factors affecting business success or failure include government and financial support, and other types of support. According to the White House Office of Management and Budget (OMB), the President's 2021 budget supports $43 billion in business lending to assist U.S. small business owners in accessing affordable capital to start, build and grow their business.[16] Other external supportive actions are promoting impact investment in economically distressed regions and improving small business and exporter-access to Federal services,

[15] p.1. U.S. Small Business Administration, Office of Advocacy, Frequently Asked Questions. Retrieved from https://www.sba.gov/sites/default/files/advocacy/SB-FAQ-2016_WEB.pdf

[16] p.106. White House Office of Management and Budget (OMB), Budget for America's Future, Fiscal Year 2021. Retrieved from: https://whitehouse.gov/wp-content/uploads/2020/02/budget_fy21.pdf

etc. Establishments of the U.S. Small Business Administration (SBA) and the Small Business Development Centers (SBDCs) are also considered as supportive activities from the external, or public side.

By offering guidelines for small business owners, Rolleri, Nadim, and Lussier (2016) recommended that most mature small businesses perform an annual strategic longevity and health maintenance evaluation to ensure their viability. A summary of items in internal operations and interaction with larger system/external stakeholders include:

Internal operations:

- Structure, process, functions, and culture
- Financial health
- Financial system adequacy
- Business model adequacy

Interaction with larger system/external stakeholders:

- Compliance with regular requirements
- Environmental friendliness
- Competitive advantage
- Local trends and political awareness and community relations
- Zoning and conservation and other local regulations
- Sustainable business practices

Other recent studies focusing on specific impact factors include Dahmen and Rodriguez (2014), Dunne, Aaron, McDowell, Urban, and Geho (2016), Overall (2016), Peretti-Watel (2003), and Kuntze and Matulich (2016).

Dahmen and Rodriguez (2014) investigated the correlation between the financial literacy skills of entrepreneurs and small businesses' financial strength. They used a survey of the business owners, which was based on a business health assessment review conducted during Jan 2012-Jan 2013 by a Growth Acceleration consultant at the Florida SBDC at USF, on 14 small businesses (that requested Growth Acceleration services), to determine their level of financial understanding and their use of financial statements in making management decisions. The authors found a strong association between the small businesses' financial strength and the business owners' habits of mind regarding their financial statements

and concluded that non-regular review of financial statements is associated with experiencing financial difficulties.

Dunne, Aaron, McDowell, Urban, and Geho (2016) examined the impact of the individual entrepreneur on fostering new production innovation within firms from perspectives of leadership style, negotiation style, and organizational efficacy. The authors found that small business leaders who are inspirational, who negotiate competitively, and who lead efficacious organizations establish environments that are more likely to yield new product innovations.

Business failures are thought to be the result of cognitive biases, which cause entrepreneurs to misperceive the risks associated with their ventures. Cognitive biases do not directly lead to risky entrepreneurial behaviors, but rather indirectly. In a recent study by Overall (2016), a high failure rate is associated with new venture Start-Ups. Peretti-Watel (2003) discussed the theories of planned behavior and reasoned action. Kuntze and Matulich (2016) provided research findings regarding the challenges of cognitive biases, a known cause of the high rate of failure for Start-Ups.

According to Sanogo and Harrington (2017), the focus of recent literature has been more oriented towards identifying factors of entrepreneurial success, in lieu of identifying entrepreneurial candidates with high likelihood of failure (Chaterjee and Das, 2015; Kumar and Sihag, 2012).

Encouraging entrepreneurship and small business activity is the key to economic growth. The need to address faulty expectations is critical. It is also important to highlight and include the current small business concerns in the further development of economic impact studies.

Relevant Economic Impact Studies Relating to the Florida SBDC Programs

According to the most recent Annual Report (2019) of the Florida SBDC Network, over 112,164 hours of business consulting to more than 11,529 client businesses in 2018 was reported. According to the Florida SBDC's Annual Report, because of this assistance, client businesses created, retained, and saved 38,403 jobs; grew sales $4.4 billion; acquired $520.0 million in government contract awards; and accessed $202.5 million in capital investments.[17]

The most recent study of economic impact of Florida SBDCs programs was conducted by the Center for Economic Forecasting and Analyses. The authors analyzed survey data (conducted by the Florida SBDC Network) for the following: business consulting hours delivered to clients/business owners, created and

[17] p.8. Florida SBDC Network 2019 Annual Report. Retrieved from: http://floridasbdc.org/Reports/2019-Annual-Report/Florida%20SBDC%20Network%20Annual%20Report_2019.pdf

retained/saved jobs, increased sales, government contract grants, and new businesses. The study estimated the economic impacts of the Florida SBDCs' activities for both quantity and quality assessments. Economic impacts were summarized by four types of outcomes: sales/output, total jobs, labor income, and value added/gross regional production. The quality assessment was concluded based on survey data relating to whether the SBDC consulting services were perceived as beneficial by the served clients.

Additional recent studies on the economic impacts of small business were: Fitzgerald and Muske (2016) and Small Business and its Impact on Florida (2016).[18] The authors classified family businesses as entrepreneurial or small businesses and verified the distinction between groups and the role of family businesses in economic development. The authors used data of business owners identified and surveyed in the 1997, 2000, and 2007 waves of the National Family Business Survey (NFBS) to answer two main questions: (1) are there distinguishable differences between small business owners and entrepreneurs such that they can be categorized or statistically "sorted." If indeed the subjects can be grouped, a second research question focuses on the contribution that each type of owner might provide to the family, as well as what each type of owner might mean to the community, and; (2) How do the groups compare using objective and subjective measures of business success at a single point in time, as well as over time? The findings indicated the importance of supporting family business owners due to their important contributions to the long-term sustainability of its community's economic sector. Entrepreneurs achieve greater gross income and number of employees, while small business owners offer stability during economic downturns.

The Florida SBDC Network's Small Business and its Impact on Florida report highlights the job impacts of Florida small businesses. In 2020, 3.4 million workers were employed by 2.5 million small businesses in Florida, which comprises 41.6% of all private sector employees. Small businesses make up 99.8% of businesses in the state of Florida.[19] Three out of every four new jobs are created by small businesses. As increasing confidence in sales and jobs grows over time, there is a high demand for small business development in Florida. At the same time, Florida small businesses also face different challenges.

[18] p.8. SBDC, Small Business and Its Impact on Florida, UWF Center for Research and Economic Opportunity, 2016. Retrieved from: http://floridasbdc.org/Reports/2016-State-of-Small-Business/mobile/index.html#p=1

[19] p.2. Florida SBDC, (2020), State of Small Business Report, Small Business and its Impact on Florida (2020). Retrieved from: https://www.yumpu.com/en/document/read/63064464/florida-sbdc-network-state-of-small-business-report

Discussion of the Methodology of Economic Impact of Small Business Consultation

In Sanogo and Harrington (2017), there was a detailed discussion of the methodologies that are commonly used to analyze the economic impacts of small business consultations. Two representative studies are by Chrisman (2012, 2017) and Wood (1994).

Wood (1994) defined the primary and secondary benefits of small business assistance programs to the economy. The author expressed that the primary benefit is the direct increase in sales and employment of small businesses, and the secondary benefit exists only if the sales and jobs are new to the economy. In the study, previous inaccurate measures were listed, and suggestions to reduce those inaccuracies were provided. In literature, client satisfaction, efficiency, academic reactions to college-based programs, and economic impacts are regarded as measures of the effectiveness of small business assistant programs. Clients' increases in sales, employment, and profits were used to gauge benefits and costs. Wood (1994) applied the distinction between the primary and secondary benefits to use as a measure of a benefit-cost analysis, and to refine the primary benefit, and to correct estimates to further identify specific secondary benefits which are beneficial to the economy.

Chrisman (2012) analyzed the changes in sales revenue and employment, jobs and sales revenue maintained, and financing obtained by established businesses and pre-ventures who received five or more hours of consulting assistance (who were referred as long-term clients) from SBDC's in 2010. Their performance improvements were compared with the weighted average changes in performance of all businesses in the United States and then were used to estimate tax revenues generated for state and federal governments because of SBDC's consulting. In this study, the tax revenues generated by the long-term clients were compared to the total costs of providing the SBDC services. In addition, the financing obtained by clients as a direct result of SBDCs' assistance was also analyzed.

There has been a long-standing debate between these two studies. According to Sanogo and Harrington (2017), the methodologies applied in Wood (1994) were designed based on the demand side of consulting assistance. The methodology outlined in Wood (1994) was criticized for its' static feature analysis, (*i.e.* there was no dynamic nature attributed to economic growth). On the other hand, the methodology applied in Chrisman (2012) was criticized in that there was a perceived estimation bias based on the definition of benefits in Wood (1994). Chrisman (2012) was thought to systematically underestimate the primary benefit of SBDCs' consulting assistance, while overestimating the secondary, or indirect, benefits. The two alternative methods suggested by Wood to correct for this bias are Travel Cost and/or Contingent Valuation.

As Chrisman (2012)'s methodology is the most standardized nationwide and has been used to conduct the analysis for the economic impact of SBDCs' consulting activities in the United States, the FSU CEFA team determined that his latest study provided the most comprehensive methodological framework to conduct an economic impact estimation of the Florida Small Business Development Center programs.

Overview of Chrisman (2012, 2017), Economic Impact of Small Business Development Center Consulting Activities in the United States: 2015-2016

Chrisman (2012) presented the results of the 16th National Study of the economic impact of SBDC consulting activities in the United States. Information was analyzed for changes in sales revenue and employment, jobs and sales revenue maintained, and financing obtained by SBDC long-term clients.

Data were used from 60 of the 63 SBDCs in the United States. The sample comprised 7,849 established businesses and 3,094 pre-ventures that received five or more hours of consulting assistance in 2010. Since the clients surveyed represented the entire long-term client population of the 60 SBDC programs that participated in the study, the response bias did not appear to be a concern (as indicated in the report).

The main steps involved in the data analysis were as follows:

- The performance improvements of the responding sample, including changes in sales revenues and employment, jobs and sales revenues, and financing obtained (in the year after receiving assistance), were compared to the weighted average changes in performance of all businesses in the United States.
- The incremental improvements in the sample's performance – over and above what they would have been had they performed like the average business – were extrapolated across the entire long-term client population of the SBDC. A host of qualitative questions were asked concerning the availability of comparable assistance from *private* consultants and the quality of the consultants. Only those clients who indicated that the SBDC's services were beneficial were used to calculate performance improvements to avoid overestimation of the impact of the SBDC program. This is pertinent to the quality assessment of SBDC consulting services.
- The performance improvements were then used to estimate the tax revenues generated for state and federal government because of SBDC consulting.
- The tax revenues generated by the long-term clients were compared to the total costs of providing services offered by the SBDC.

- Lastly, clients were asked to indicate whether the SBDC program had assisted them to obtain financing and if so, the amount of debt and equity financing they were able to obtain as a direct result of the consulting received from the SBDC.

Highlights of the sample and the methodology:

The entire population of long-term clients of the 60 participating centers was sent a questionnaire, in which clients were asked to evaluate the SBDC's services, provide their sales revenues and employment levels for 2010 and 2011, estimate jobs and sales revenues, and indicate the amount of financing they were able to obtain that could be credited to the SBDC program. The procedures described below were utilized to determine if the number of responding clients obtained from the sampling plan were sufficient to obtain a statistically reliable sample.

- To determine if the number of respondents was sufficient to obtain a reliable and valid estimation of the average changes in sales revenue and employment of SBDC clients, the confidence interval of the variable's means was checked.

- To ensure that respondents were representative of the population, there is a minimum likelihood of response bias, and the data are reliable, a series of statistical tests was conducted:

  Representativeness: Each center was asked to provide demographic information (gender and ethnic background of client, industry in which business competes) for all clients surveyed and for all respondents. Comparisons and Chi-square goodness-of-fit tests were applied to standardized data. Results indicated that both the established business and pre-venture respondents were proportionally representative of the population in terms of the gender of the primary owner.

  Response Bias: The questionnaire was sent to clients in several waves. Respondents were divided into groups of early and late responders according to when they responded to the questionnaire, and compared in terms of their reported sales revenue, employment, financing obtained, and evaluation of the SBDC's services. This made it possible to investigate the issue of response bias. Results of t-tests and Analysis of Variance (ANOVA) indicated that early responding established business clients evaluated the SBDC's services more favorably than later responding clients. Moreover, early responding pre-venture clients reported higher first-year sales than clients who responded later.

  Reliability: The reliability of the questionnaire was assessed by a point bi-serial correlation analysis comparing clients' perceptions of whether the SBDC's services were beneficial and their: (1)

evaluation(s) of the knowledge and expertise of the counselors; (2) working relationships with the consultants, and; (3) willingness to recommend the SBDC to others. The results of the respective comparisons were statistically significant, which indicated the clients' responses to the questionnaire appeared to be reliable.

In 2017, Chrisman presented the results of the 21st national study of the economic impact of Small Business Development Center (SBDC) consulting activities in the United States. Data from 58 of the 63 SBDCs in the United States were used in the new study. No changes in methodology (as described above) were detected by the CEFA research team.

Overview of the Haas Center Report Methodology

In 2014, the Florida SBDC Network requested a comparative economic impact study using the IMPLAN model to estimate the economic impacts of the SBDC Network activities on: Employment, Sales, Income and Value Added (GRP). The Haas Center's report provided these outcome measures as Direct, Indirect, and Induced economic impacts. Compared with Chrisman (2012), the impacts of Pre-ventures, as well as capital and contract dollars from their overall impact estimation, were not reported. The Haas Center highlighted three basic elements regarding data collection, namely: 1) the survey respondents reported on *two-year* employment; 2) the survey respondents reported how many jobs were retained by their business as a consequence of SBDC consulting activities, and; 3) the survey respondents reported on the total value of capital or government contracts that were successfully acquired as the results of SBDC consulting assistance.

The Haas Center assumptions have been further summarized as follows:

- Any negative job growth calculated by their formula were zeroed out.
- The self-reported jobs-retained numbers were used to calculate the SBDC impact in terms of total jobs retained across the Florida economy.
- The survey's respondents who participated do not differ significantly from those who did not participate.

The businesses that participated in the survey were classified into five high-level industry categories, including: Construction, Manufacturing, Retail, Professional Services, and Wholesale Trade. The Haas Center computed the total numbers of jobs created and jobs retained/saved for established firms in each of these industry categories. The total economic impacts of the SBDC activities were estimated by the Haas Center using the IMPLAN software tool. The researchers analyzed the data at the finer NAICS code level

of resolution, with impacts including the direct, indirect, and induced economic impacts, across a variety of categories, including employment, income, value added, and total economic output.

Study Data and Methodology

The survey and economic analysis consisted of a two-pronged methodology. First, the direct employment impact levels were estimated using the survey data provided to FSU CEFA by the SBDC administration. The second prong encompassed an economic impact assessment of the SBDC network activities based on the direct impacts, through estimation of the Indirect, and Induced effects of the SBDC's activities using the IMPLAN® software tool.

Survey Methodology

The current study used survey data collected by the SBDC. There was an overall total of 3,573 completed responses. Data collection was conducted through a questionnaire survey on a sample of Florida SBDC's clients.[20] A total of 30,466 clients were served by the SBDC during 2019-20. The SBDC's provided a total of 224,303 counseling hours to all clients, of which 195,100 to both established businesses (180,829 hours) and Pre-venture clients (14,271 hours). The research team assumed the client population to be the number of clients which were reached by the survey. In total, there were 3,573 survey responses (*i.e.* 18.6 percent response rate).[21] Based on the survey data, the research team evaluated the changes in sales revenues and employment, the jobs created and retained/saved, the financing obtained, and the gains in term of tax revenues.

The survey elicited information concerning the Florida SBDC consulting clients': *e.g.*, demographic background, business status, business industry, business employment, employment saved, business revenue, business financing, government contracts acquired, and customer satisfaction, among others.

The FSU CEFA research team did not discuss the accuracy of the translation of the survey raw data nor the reliability of the survey data with the SBDC. The responses revealed insufficient data on the Pre-ventures, although a few Pre-venture clients addressed the survey questionnaire. Due to their pre-start-up status with no jobs creation (yet), the research team primarily focused the analyses on established business clients only

[20] Survey was distributed to 19,183 SBDC clients (based on the total number of clients served with one hour or more of consulting in 2020). See Appendix B for a copy of the survey.
[21] Florida's response was 18.6 percent, which was a 0.3 percentage point higher than the survey response rate of 18.3 percent in the previous year survey.

(Start-Ups and Small Medium Enterprises (SMEs), including Independent Contractors (ICs)), of the Florida SBDC.

Survey Data

The survey data included different types of data including discrete, continuous, and categorical. The employment in 2019-20 consisted of full-time and part-time employment, as well as full-time and part-time independent contractors. The survey questions were designed to ask the respondents to indicate the number of full-time and part-time employees in, as well as independent contractors to, their business. To calculate the employment for each year, the research team assumed that a part-time employee, as well as an independent contractor, equaled 0.7 full time equivalent employee (FTEs).[22]

Descriptive Analysis of the Survey Data

Through further examination of the survey data, it was discovered that 7.3 percent of the SBDC client respondents were Pre-venture clients, and 92.7 percent were established businesses (see Figure 1). Given the characteristics of the Pre-venture, further data analyses were not possible due to insufficient data. The research team thus focused on established businesses (Start-Ups and Small Medium Enterprises (SMEs)) only. Of these, 51.5 percent of established businesses were owned by males, and 47.6 percent were owned by females (0.9% unknown). Similarly, of the established businesses, 65.2 percent were owned by whites, while 34.8 percent were owned by ethnic minorities.

[22] Based on two multivariate analyses:
1) Ln(Sales2020) = 2.34*Ln(FTE2020) + 1.60*Ln(PTE2020) + 1.67*Ln(IC2020) + 0.19*Ln(20SBALoan) + 4.32
2) Ln(Sales2020) = 2.41*Ln(FTE2020) + 1.71*Ln(PTE2020) + 1.72*Ln(IC2020) + 4.38
Where in both equations the PTE and IC coefficients are approximately 0.7 of the coefficients for FTE.
The same based on comparative 2020 data yielded:
Ln(Sales2020) = 3.16*Ln(FTE2020) + 1.23*Ln(PTE2020) + 1.64*Ln(IC2020) + 2.90
Where the PTE and IC coefficients are 0.4 and 0.5 of the coefficients for FTE, respectively.
It is noted that in previous reports two PTE's were assumed to be equivalent to one FTE.

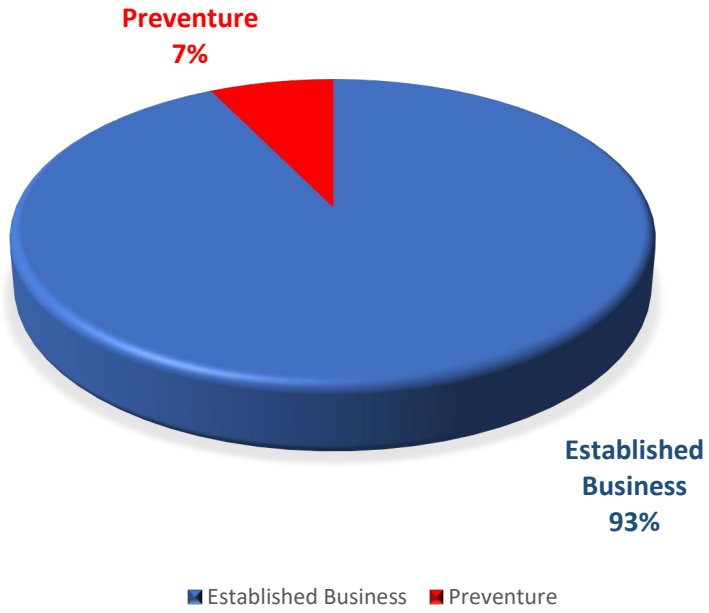

Figure 1. Classification of SBDC Survey Respondents: Pre-venture and Established Businesses

By focusing on established businesses only, Figure 2 presents the breakout percentages of the SBDC's clients who received at least one hour or more consulting services, by specific industry sector.

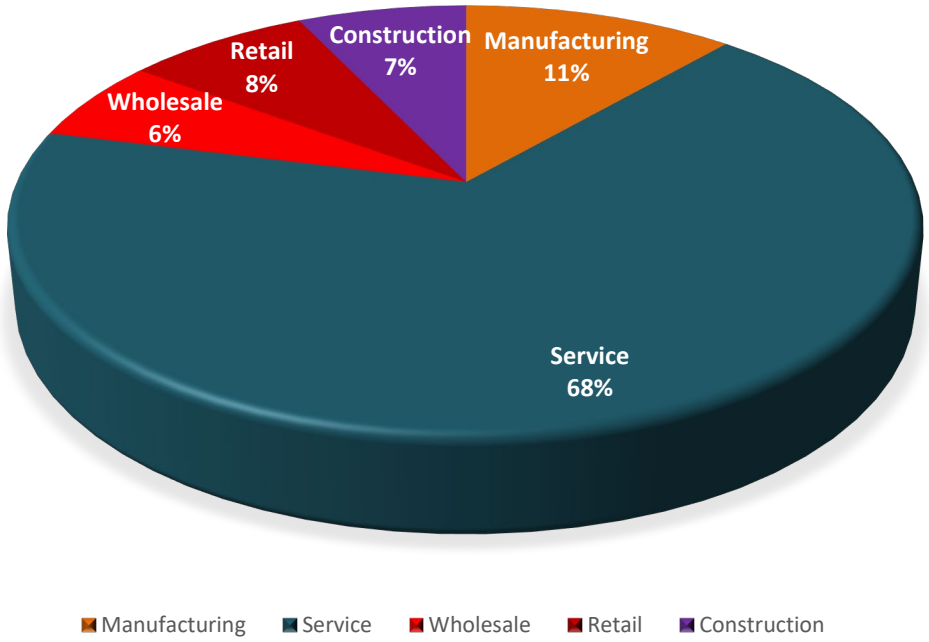

Figure 2. The Industrial Sector Breakouts of the SBDCs Survey Respondents

Established Businesses

The respondents that were established businesses, represented approximately 92.7 percent of the SBDC's client base. The efforts of the SBDC to log the served clients according to the North American Industrial Classification System (NAICS) codes were successful. All survey respondents provided a NAICS code associated with their business. The SBDC established business clients were further classified into two categories: Start-Ups and Small Medium Enterprises (SMEs).

Survey Data Validation and Analysis

Pertaining to the survey responses, about 92.7 percent of the survey data were related to established businesses (SMEs and Start-Ups). Pre-venture consulting did not generate employment or revenues during 2019-20, thus the research team did no further economic analyses on this subset.

The sample data were categorized in different subgroups of businesses, by:

- Region (one of the nine activity regions of the SBDC).
- Market segment (Start-Up or SME), and
- Industrial sector category (*i.e.* Retail, Services, Wholesale, Manufacturing, and Construction).

Table 2 shows the absolute survey frequencies by market segment (SME and Start-Up), by industry, and by region. Shading is provided to show higher frequencies in red and lower frequencies in blue. In the total columns and rows, frequencies are shown in red. As can be surmised from the table, few data points represent enough data points for statistical analyses per subset (Industry - Region).[23] As a result, only descriptive statistics would be possible with no inferences to the overall clientele and/or results of the consulting hours. For further inferences, region and industry frequencies were recalibrated, or redistributed, to each cell using a double weighting methodology, across both region and industry sector frequencies.[24] The recalibrated survey results at the employment level are provided in Table 3 for both years 2019 (to the left) and 2020 (to the right), respectively. Shading is provided showing higher employment numbers in red, and lower numbers in blue.

[23] Using the population of 19,183, and provided a confidence interval of 95%, with a 5% margin of error, the sample size should be 377. For an overall analysis the response would be enough. However, as the interest lies at the disaggregate levels, this means that only the Services sector, with SME and Start-up breakouts (not to region), region UCF to total and SMEs, and region UNF total, are fit to be subjected to statistical analyses. From there, different approaches would have to be entertained to get a hold on the remainder of the data.

[24] The recalibration process is explained in Appendix A.

Table 2. Survey Frequencies: by Market Segment, by Region, and by Industry, Year 2020

SME	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	21	175	9	25	18	248
FAMU	11	69	3	9	9	101
UNF	12	147	12	33	13	217
UCF	24	232	21	46	27	350
USF	19	269	20	57	26	391
IRSC	3	32	3	12	4	54
FGCU	2	83	2	10	14	111
FAU	18	142	9	25	19	213
FIU	22	176	46	48	24	316
Total	132	1,325	125	265	154	2,001

Startup	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	12	74	1	9	11	107
FAMU	5	46	2	5	5	63
UNF	23	102	9	8	7	149
UCF	22	152	7	17	14	212
USF	24	173	10	18	11	236
IRSC	3	15	3	0	2	23
FGCU	7	59	4	8	5	83
FAU	4	96	9	15	2	126
FIU	14	94	25	16	14	163
Total	114	811	70	96	71	1,162

Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	33	249	10	34	29	355
FAMU	16	115	5	14	14	164
UNF	35	249	21	41	20	366
UCF	46	384	28	63	41	562
USF	43	442	30	75	37	627
IRSC	6	47	6	12	6	77
FGCU	9	142	6	18	19	194
FAU	22	238	18	40	21	339
FIU	36	270	71	64	38	479
Total	246	2,136	195	361	225	3,163

* Shading shows higher frequencies in red, and lower frequencies in blue.

Table 3. Estimated Total Employees: by Market Segment, by Region and by Industry, in Years 2019 and 2020

	2019						2020					
SME	Retail	Service	Wholesale	Manufacturing	Construction	Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	156	403	-11	258	-149	656	41	1,010	-16	29	222	1,286
FAMU	128	580	22	206	-97	839	36	993	-4	52	176	1,254
UNF	250	760	-72	403	-181	1,160	58	1,498	1	107	275	1,939
UCF	408	2,166	105	1,002	170	3,850	96	2,853	12	186	440	3,586
USF	261	995	48	599	700	2,603	54	1,583	-22	100	271	1,987
IRSC	84	287	-8	142	-45	460	25	701	0	57	118	902
FGCU	214	953	39	538	64	1,807	42	1,100	-3	73	190	1,403
FAU	173	740	-5	379	-54	1,232	83	2,051	30	237	317	2,718
FIU	239	1,230	25	488	-67	1,915	57	1,823	-12	80	241	2,190
Total	1,913	8,113	144	4,014	340	14,524	492	13,613	-13	923	2,252	17,265

Startup	Retail	Service	Wholesale	Manufacturing	Construction	Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	28	284	18	6	46	382	13	311	19	27	58	428
FAMU	42	362	17	14	121	557	17	348	21	34	53	472
UNF	68	405	55	27	105	660	22	429	27	44	65	587
UCF	89	811	45	40	86	1,072	40	837	48	77	120	1,122
USF	82	655	24	36	-608	190	25	608	34	56	100	823
IRSC	2	43	4	-4	1	47	5	163	9	5	29	212
FGCU	71	560	24	35	39	729	31	593	36	60	86	807
FAU	47	408	42	22	96	615	29	563	34	59	81	765
FIU	83	639	58	38	182	999	22	526	27	43	76	695
Total	512	4,168	288	214	69	5,251	204	4,378	254	406	668	5,910

Total	Retail	Service	Wholesale	Manufacturing	Construction	Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	184	687	7	264	-103	1,038	54	1,321	3	57	280	1,714
FAMU	170	942	40	220	24	1,396	53	1,341	17	86	229	1,726
UNF	318	1,166	-17	430	-76	1,821	80	1,927	28	150	340	2,525
UCF	497	2,977	150	1,042	257	4,923	136	3,690	59	262	560	4,708
USF	344	1,650	72	635	92	2,793	79	2,191	12	156	371	2,809
IRSC	87	330	-3	139	-44	508	31	864	9	63	148	1,114
FGCU	285	1,513	63	573	103	2,536	74	1,693	33	134	276	2,210
FAU	220	1,147	37	401	42	1,847	111	2,614	64	296	398	3,484
FIU	321	1,869	83	526	115	2,914	79	2,349	15	124	318	2,885
Total	2,425	12,281	432	4,228	409	19,775	696	17,991	241	1,328	2,920	23,175

*Data may not add up exactly due to rounding

^ Shading shows higher employment numbers in red, and lower numbers in blue.

Similar to the methodology used in previous years, the research team compared the employment and associated changes of the sample clients for 2019, with those of 2020, in order to estimate the number of jobs created (*i.e.* the difference between the 2019 and 2020 data points in Table 3). The jobs created by the established businesses were expressed in relative growths per segment, region, and industry.[25] Next, the growth was benchmarked against the specific region and industry sector in Florida. In other words, the rates of employment growth, relating to the surveyed clients for each subgroup, were compared with the growth of all businesses under normal conditions, in the region. This was done by comparisons with the Economic Modeling Specialists, Inc. (EMSI)-produced industry jobs reports for 2021. Only the differential growth was attributed to the measure of SBDC assistance.[26] Table 4 provides the EMSI-relative growth of all businesses, per region and Industry, under normal conditions, and used for the comparative analyses, for years 2020.

Table 4. EMSI Growth Rates by Region and by Industry Sector, Year 2021

	Retail	Service	Wholesale	Manufacturing	Construction	
UWF	-1.66%	-8.12%	-0.62%	1.53%	0.22%	0.65%
FAMU	-3.45%	-13.96%	-1.34%	-0.13%	-3.57%	-1.74%
UNF	-3.20%	-11.11%	-2.21%	-0.42%	0.45%	-0.92%
UCF	-4.37%	-16.89%	-2.21%	-0.12%	-0.80%	-1.60%
USF	-2.19%	-11.80%	-0.24%	-2.12%	2.22%	-1.12%
IRSC	-1.75%	-11.98%	-0.98%	-1.52%	1.26%	-1.61%
FGCU	-2.90%	-12.10%	0.31%	0.53%	-0.07%	-1.84%
FAU	-5.31%	-15.69%	-2.01%	-3.36%	-0.87%	-2.02%
FIU	-6.13%	-19.31%	-3.42%	-3.04%	0.47%	-2.99%
AVERAGE	-3.47%	-13.53%	-1.46%	-1.00%	-0.05%	-2.33%

The actual survey-derived business growth minus the EMSI-derived expected "normal" (or baseline) growth is defined as the growth attributed to the SBDC-specific activities. This net, or over-and-above growth, was transposed or scaled to the population level as total jobs created, as shown in Table 5.

[25] It is noted that one outlier were omitted, analyzing the survey data.

[26] *i.e.* for full-time (FTE) and part-time (PTE) employees, and not for the independent contractors (IC) because self-employed do not show up in employment growth statistics.

Table 5. Estimated Total Jobs Created: by Market Segment, by Region, and by Industry, Attributed to SBDC Activities, Year 2020

SME	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	-12	259	-60	-122	155	220
FAMU	-1	466	-35	-54	130	506
UNF	9	792	-40	-36	212	937
UCF	33	1,958	-41	5	361	2,317
USF	-12	649	-77	-88	189	661
IRSC	0	342	-21	-15	86	393
FGCU	4	556	-35	-36	142	632
FAU	40	1,436	-6	113	263	1,846
FIU	-3	970	-62	-92	166	979
Total	58	7,427	-376	-325	1,706	8,489

Startup	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	3	144	11	16	38	212
FAMU	10	232	15	26	39	323
UNF	13	283	20	34	48	397
UCF	21	531	33	55	84	724
USF	7	314	20	36	65	442
IRSC	1	86	5		20	112
FGCU	19	394	26	47	62	548
FAU	19	413	27	49	63	571
FIU	8	307	17	28	50	410
Total	101	2,703	175	289	470	3,739

Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	-9	403	-49	-106	194	432
FAMU	9	698	-20	-28	169	829
UNF	21	1,074	-20	-2	260	1,334
UCF	54	2,489	-8	61	445	3,041
USF	-4	963	-57	-53	254	1,103
IRSC	1	428	-16	-15	107	505
FGCU	23	950	-8	10	204	1,179
FAU	59	1,848	21	162	326	2,417
FIU	5	1,276	-45	-64	216	1,389
Total	159	10,130	-201	-35	2,176	12,228

*Data may not add up exactly due to rounding
^ Shading shows higher employment numbers in red, and fewer employment numbers in blue.

A similar procedure, as outlined above, was applied to the calculation of retained/saved jobs, due to the SBDC activities. The actual outcomes were recalibrated according to the methodology described above, across both region and industry sector frequencies. The estimated total retained/saved jobs attributed to SBDC activities are provided in Table 6.

Table 6. Estimated Total Employment Retained/Saved: by Market Segment, by Region, and by Industry, Attributed to SBDC Activities, Year 2020

SME	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	96	862	50	56	26	1,090
FAMU	71	399	0	16	51	537
UNF	35	765	19	109	34	962
UCF	95	1,167	14	180	89	1,545
USF	46	1,232	60	267	80	1,685
IRSC	4	165	1	71	8	249
FGCU	6	400	9	111	45	571
FAU	40	409	10	229	42	730
FIU	41	787	200	208	171	1,407
Total	434	6,186	363	1,247	546	8,776

Startup	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	6	131	1	16	14	168
FAMU	4	64	0	7	5	80
UNF	16	102	6	0	6	130
UCF	30	467	10	24	37	568
USF	19	449	10	18	25	521
IRSC	2	31	2	0	1	36
FGCU	15	119	2	18	87	241
FAU	2	99	20	11	4	136
FIU	9	213	28	22	19	291
Total	103	1,675	79	116	198	2,171

Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	102	993	51	72	40	1,258
FAMU	75	463	0	23	56	617
UNF	51	867	25	109	40	1,092
UCF	125	1,634	24	204	126	2,113
USF	65	1,681	70	285	105	2,206
IRSC	6	196	3	71	9	285
FGCU	21	519	11	129	132	812
FAU	42	508	30	240	46	866
FIU	50	1,000	228	230	190	1,698
Total	537	7,861	442	1,363	744	10,947

* Data may not add up exactly due to rounding
^ Shading shows higher employment numbers in red, and fewer employment numbers in blue.

In total, the final estimates for created and retained/saved employment, attributed to SBDC-specific activities, are provided in Table 7.

Table 7. Estimated Total Created and Retained/Saved Employment: by Market Segment, by Region, and by Industry, Attributed to SBDC Activities, Year 2020

SME	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	41	1,010	-16	29	222	1,286
FAMU	36	993	-4	52	176	1,254
UNF	58	1,498	1	107	275	1,939
UCF	96	2,853	12	186	440	3,586
USF	54	1,583	-22	100	271	1,987
IRSC	25	701	0	57	118	902
FGCU	42	1,100	-3	73	190	1,403
FAU	83	2,051	30	237	317	2,718
FIU	57	1,823	-12	80	241	2,190
Total	492	13,613	-13	923	2,252	17,265

Startup	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	13	311	19	27	58	428
FAMU	17	348	21	34	53	472
UNF	22	429	27	44	65	587
UCF	40	837	48	77	120	1,122
USF	25	608	34	56	100	823
IRSC	5	163	9	5	29	212
FGCU	31	593	36	60	86	807
FAU	29	563	34	59	81	765
FIU	22	526	27	43	76	695
Total	204	4,378	254	406	668	5,910

Total	Retail	Service	Wholesale	Manufacturing	Construction	Total
UWF	54	1,321	3	57	280	1,714
FAMU	53	1,341	17	86	229	1,726
UNF	80	1,927	28	150	340	2,525
UCF	136	3,690	59	262	560	4,708
USF	79	2,191	12	156	371	2,809
IRSC	31	864	9	63	148	1,114
FGCU	74	1,693	33	134	276	2,210
FAU	111	2,614	64	296	398	3,484
FIU	79	2,349	15	124	318	2,885
Total	696	17,991	241	1,328	2,920	23,175

* Data may not add up exactly due to rounding
^ Shading shows higher employment numbers in red, and fewer employment numbers in blue.

The results are further summarized in Tables 8 and 9. The employment was allocated to each one of the five industry sectors in terms of jobs created and retained/saved, by industry sector. Next, the employment results, by industry sector and by the corresponding nine SBDC regions, are shown in Table 9. Table 9 also provides further detail of the industry performances by regions.

Table 8. Estimated Total Jobs Created and Retained/Saved, by Industry Sector, Year 2020

Estimated Total Jobs Created and Retained/Saved, by Industry Sector, in Florida, 2020						
Industry	SBDC Employment Growth	Florida Employment Growth	Incremental Growth	Jobs Created	Jobs Retained	Total Jobs
Retail	1.30%	-3.79%	5.09%	159	537	696
Service	3.53%	0.95%	2.57%	10,130	7,861	17,991
Wholesale Trade	-7.37%	-1.75%	-5.62%	-201	442	241
Manufacturing	-1.42%	-1.31%	-0.11%	-35	1,363	1,328
Construction	34.30%	0.24%	34.06%	2,176	744	2,920
Total	8.62%	1.50%	7.12%	12,228	10,947	23,175

The jobs created and retained/saved reflect the incremental change due to the Florida SBDC-specific activities relating to job growth, exceeding, or not exceeding, the overall state standard.[27] As mentioned earlier, the industry sector-specific Florida employment growth rates for 2020 were obtained using the EMSI annual reports for the 2020 employment in Florida. According to Table 8, the leading industry sector for the SBDC-specific industries is the Construction sector, with 34.3 percent in expected job growth, in comparison with the 0.24 percent statewide. At the regional professional service firms had the second highest job growth in all SBDC regions. Professional Services created 10,130 jobs and retained 7,861 jobs, due to the consulting services provided by the SBDC. Based on the survey data and related to jobs created or retained/saved analyses, the top performing region was the University of Central Florida (UCF) region, with a record number of 4,708 jobs created and retained/saved, as a result of SBDC activities in 2020. In summary, a total of 12,228 jobs were created and 10,947 retained/saved, for a total direct impact of 23,175 SBDC-related jobs because of SBDC-specific activities in 2020.

[27] Not exceeding refers for results to negative job growth for the SBDC.

Table 9. Estimated Total Jobs Created and Retained/Saved, by Region and Industry in Florida, Year 2020

Region	Industry	SBDC Employment Growth	Florida Employment Growth	Incremental Growth	Jobs Created	Jobs Retained	Total Jobs
Region 1: UWF	Retail	-5.70%	-1.66%	-4.04%	-9	63	54
	Service	-3.67%	-8.12%	4.45%	403	918	1,321
	Wholesale	-16.68%	-0.62%	-16.05%	-49	52	3
	Manufacturing	-8.01%	1.53%	-9.54%	-106	163	57
	Construction	24.19%	0.22%	23.97%	194	86	280
Total Region 1		0.79%	0.65%	0.14%	432	1,282	1,714
Region 2: FAMU	Retail	-4.05%	-3.45%	-0.60%	9	44	53
	Service	-1.99%	-13.96%	11.97%	698	643	1,341
	Wholesale	-15.23%	-1.34%	-13.89%	-20	36	17
	Manufacturing	-6.41%	-0.13%	-6.28%	-28	114	86
	Construction	26.35%	-3.57%	29.93%	169	60	229
Total Region 2		2.54%	-1.74%	4.28%	829	898	1,726
Region 3: UNF	Retail	-0.58%	-3.20%	2.62%	21	59	80
	Service	1.56%	-11.11%	12.67%	1,074	853	1,927
	Wholesale	-12.16%	-2.21%	-9.95%	-20	48	28
	Manufacturing	-3.02%	-0.42%	-2.60%	-2	152	150
	Construction	30.93%	0.45%	30.48%	260	80	340
Total Region 3		6.26%	-0.92%	7.17%	1,334	1,192	2,525
Region 4: UCF	Retail	2.66%	-4.37%	7.03%	54	82	136
	Service	4.87%	-16.89%	21.76%	2,489	1,201	3,690
	Wholesale	-9.29%	-2.21%	-7.08%	-8	67	59
	Manufacturing	0.15%	-0.12%	0.27%	61	202	262
	Construction	35.20%	-0.80%	36.00%	445	115	560
Total Region 4		9.72%	-1.60%	11.32%	3,041	1,667	4,708
Region 5: USF	Retail	-5.16%	-2.19%	-2.97%	-4	84	79
	Service	-3.12%	-11.80%	8.68%	963	1,228	2,191
	Wholesale	-16.20%	-0.24%	-15.96%	-57	69	12
	Manufacturing	-7.48%	-2.12%	-5.36%	-53	209	156
	Construction	24.90%	2.22%	22.68%	254	117	371
Total Region 5		1.37%	-1.12%	2.48%	1,103	1,706	2,809

Table 9. Estimated Total Jobs Created and Retained/Saved: by Region and Industry, in Florida, Year 2020, Cont.

Region	Industry	SBDC Employment Growth	Florida Employment Growth	Incremental Growth	Jobs Created	Jobs Retained	Total Jobs
Region 6: IRSC	Retail	-1.59%	-1.75%	0.15%	1	30	31
	Service	0.52%	-11.98%	12.50%	428	436	864
	Wholesale	-13.05%	-0.98%	-12.07%	-16	25	9
	Manufacturing	-4.01%	-1.52%	-2.49%	-15	78	63
	Construction	29.59%	1.26%	28.33%	107	41	148
Total Region 6		5.17%	-1.61%	6.78%	505	610	1,114
Region 7: FGCU	Retail	-0.97%	-2.90%	1.93%	23	50	74
	Service	1.16%	-12.10%	13.26%	950	744	1,693
	Wholesale	-12.50%	0.31%	-12.81%	-8	41	33
	Manufacturing	-3.40%	0.53%	-3.93%	10	123	134
	Construction	30.41%	-0.07%	30.48%	204	72	276
Total Region 7		5.84%	-1.84%	7.68%	1,179	1,031	2,210
Region 8: FAU	Retail	8.97%	-5.31%	14.28%	59	52	111
	Service	11.31%	-15.69%	27.00%	1,848	765	2,614
	Wholesale	-3.72%	-2.01%	-1.71%	21	43	64
	Manufacturing	6.30%	-3.36%	9.66%	162	134	296
	Construction	43.50%	-0.87%	44.37%	326	72	398
Total Region 8		16.46%	-2.02%	18.48%	2,417	1,067	3,484
Region 9: FIU	Retail	-6.93%	-6.13%	-0.80%	5	73	79
	Service	-4.93%	-19.31%	14.38%	1,276	1,073	2,349
	Wholesale	-17.77%	-3.42%	-14.35%	-45	60	15
	Manufacturing	-9.22%	-3.04%	-6.17%	-64	187	124
	Construction	22.56%	0.47%	22.08%	216	101	318
Total Region 9		-0.53%	-2.99%	2.46%	1,389	1,496	2,885
Total Statewide		5.33%	-2.33%	7.66%	12,228	10,947	23,174

* Data may not add up exactly due to rounding

Economic Impact Analysis

Economic Impact Analysis Methodology

The total economic impacts of SBDC-related spending were estimated with multipliers generated using a regional economic input-output model for the state of Florida constructed by the IMPLAN® economic impact modeling system (IMPLAN Group, LLC, 2019). IMPLAN® is a widely accepted integrated input-output model, used extensively by state and local government agencies to measure impacts proposed legislative and other program and policy economic impacts across private and public sectors. There are several advantages to using IMPLAN®:

- It is calibrated to local conditions using a relatively large amount of local county level and state of Florida specific data.
- It is based on a strong theoretical foundation, and
- It uses a well-researched and accepted applied economics impact assessment methodology supported by many years of use across all regions of the U.S.

The economic impact model used for this analysis is developed for the counties of Florida and includes 546 business sectors (based on the North American Industrial Classification System, or NAICS) and the latest datasets – year 2019 data. IMPLAN®'s principal advantage is that it may be used to estimate direct, indirect and induced economic impacts for any static (point-in-time) economic stimulus. Through the estimation of economic multipliers, the "ripple" effects of supply chain spending for input purchases are captured (indirect effects), and household spending by employees (induced effects) for new final demand to the regional economy, as well as direct spending and employment. Economic multipliers for each business sector and household income category are used to estimate the following economic impacts: economic output or revenue, employment (fulltime and part-time jobs), value added (GRP), labor-income, among other economic impacts.

Economic Impact Model Input Data

The input data used for the economic modeling analysis included the estimated direct jobs created and retained/saved due to SBDC activities for 2020. The total of the direct jobs created and retained were assigned to appropriate industry sectors, or NAICS, codes. These data were further translated into IMPLAN®-specific industry sectors for the economic impact modeling analysis. Initially, there were 18 separate economic models generated, representing the market segments (SME or Start-Up), for each of the

nine regions. The economic impact results, in terms of output, employment, labor income and value-added (or GRP) were then compiled and presented in the following Tables.

Economic Impact and Statewide Results

The economic impact results are presented in Table 10 for the market segments statewide impacts, and in Tables 11 and 12 (next paragraph) relating to the regional impacts. The summation of the two market segment estimates provided the total economic impacts for the Florida SBDC Network. The statewide economic impact of the SBDC services reflected by 23,174 direct jobs created and retained/saved by the SMEs and Start-Ups, have generated an additional 5,371 indirect jobs and 10,252 induced jobs: for a total of 38,797 jobs. For 2020, the 23,174 direct jobs attributed to both SMEs and Start-Ups generated nearly $2.2 billion in labor income. In addition, they produced $7.4 billion of output (sales/revenues), and contributed $3.9 billion in value-added, or Gross Regional Product (GRP), to the Florida economy.

Table 10. The SBDC Statewide Estimated Economic Impacts

2020 Statewide Economic Impact				
Impact Type	Output	Employment	Labor Income	GRP / Value-added
SMEs and Start-Ups				
Direct Effect	$5,260,028,494	23,174	$1,464,075,607	$2,692,418,554
Indirect Effect	$748,206,798	5,371	$265,064,648	$417,536,949
Induced Effect	$1,404,251,905	10,252	$473,542,013	$829,036,024
Total Effect	$7,412,487,197	38,797	$2,202,682,268	$3,938,991,527
Start-Ups				
Direct Effect	$1,294,278,372	5,912	$365,165,907	$664,069,452
Indirect Effect	$206,125,570	1,524	$73,145,303	$114,920,723
Induced Effect	$369,464,084	2,713	$124,282,447	$217,793,733
Total Effect	$1,869,868,026	10,149	$562,593,658	$996,783,908
SME's				
Direct Effect	$3,965,750,122	17,262	$1,098,909,700	$2,028,349,102
Indirect Effect	$542,081,228	3,848	$191,919,344	$302,616,226
Induced Effect	$1,034,787,821	7,539	$349,259,566	$611,242,292
Total Effect	$5,542,619,170	28,648	$1,640,088,610	$2,942,207,619

In inflation-adjusted dollars
*Data may not add up exactly due to rounding

Economic Impact Analysis and Regional Results

The Florida SBDC's are supported at a regional level, by their higher education institution partners. These institutions represent a vital resource to the Florida SBDC Network. The Florida SBDC's are divided into nine regional areas across the state. The Florida SBDC Network Headquarters is in Escambia County in Region 1 represented by the University of West Florida.

Figure 3. The Florida SBDC Network Regions

The regional economic direct, indirect, and induced impacts of the Florida SBDC network are presented in terms of jobs created and retained/saved within the established businesses; SMEs and Start-Ups (see Tables 11 and 12). Table 11 depicts the economic impact results for the SMEs, and Table 12 represents the economic impact results for the Start-Ups. Regarding the regional economic impacts of the SMEs, there was evidence of variations between regions. For example, in Region UCF, there were 3,587 direct jobs created or retained/saved in SMEs, with a total of 8,227 total job impacts (direct, indirect, and induced impacts), at an employment growth rate of 21.5 percent (of total SBDC impact). Other high performing regions included: Region FAU, Region USF, Region UNF, and Region FIU, which demonstrated employment growth of 14.8, 13.5, 12.1 and 11.7 percent in retained/saved employment in SMEs, respectively. With Start-Ups Region UCF created a total of 2,068 jobs, followed by region USF, next with FAU and UNF tied, with 1,369, and 1,220 total jobs, respectively.

Table 11. The Estimated Economic Impacts of SMEs, by SBDC Region

Region	Direct Effect	Indirect Effect	Induced Effect	Total Effect	% of State
Economic Output (Sales) in US $					
Region 1: UWF	$308,819,865	$40,316,353	$64,472,624	$413,608,842	7.46%
Region 2: FAMU	$271,079,661	$26,032,256	$47,529,534	$339,641,451	6.13%
Region 3: UNF	$425,423,386	$78,448,729	$126,781,023	$630,653,141	11.38%
Region 4: UCF	$739,515,936	$114,949,255	$247,316,918	$1,096,782,109	19.79%
Region 5: USF	$497,443,150	$77,318,616	$197,932,807	$772,694,573	13.94%
Region 6: IRSC	$188,827,928	$21,470,820	$35,071,429	$245,370,177	4.43%
Region 7: FGCU	$325,901,935	$42,624,067	$80,273,608	$448,799,610	8.10%
Region 8: FAU	$661,606,826	$83,290,190	$135,700,745	$880,597,760	15.89%
Region 9: FIU	$547,131,435	$57,630,941	$109,709,131	$714,471,508	12.89%
Employment					
Region 1: UWF	1,286	310	504	2,100	7.33%
Region 2: FAMU	1,253	213	340	1,806	6.30%
Region 3: UNF	1,939	580	946	3,465	12.10%
Region 4: UCF	3,587	810	1,762	6,159	21.50%
Region 5: USF	1,987	502	1,376	3,866	13.49%
Region 6: IRSC	901	177	281	1,359	4.74%
Region 7: FGCU	1,402	303	589	2,293	8.00%
Region 8: FAU	2,718	560	971	4,249	14.83%
Region 9: FIU	2,189	391	770	3,350	11.69%
Labor Income in US $					
Region 1: UWF	$85,286,785	$12,736,928	$21,937,474	$119,956,187	7.31%
Region 2: FAMU	$70,286,560	$8,857,667	$14,086,800	$93,231,027	5.68%
Region 3: UNF	$112,517,023	$28,065,106	$42,588,228	$183,170,357	11.17%
Region 4: UCF	$180,150,599	$40,265,209	$81,398,049	$301,813,857	18.40%
Region 5: USF	$143,220,629	$27,428,296	$66,656,899	$237,305,825	14.47%
Region 6: IRSC	$52,701,538	$6,973,565	$11,308,342	$70,985,446	4.33%
Region 7: FGCU	$100,337,695	$15,603,092	$27,101,372	$143,042,159	8.72%
Region 8: FAU	$193,085,698	$31,369,405	$46,187,319	$270,642,422	16.50%
Region 9: FIU	$161,321,173	$20,620,075	$38,000,083	$219,941,331	13.41%
Value Added (Gross Regional Product)					
Region 1: UWF	$166,623,562	$21,148,952	$38,320,439	$226,092,953	7.68%
Region 2: FAMU	$131,557,214	$13,881,657	$25,094,741	$170,533,612	5.80%
Region 3: UNF	$208,556,436	$43,318,438	$74,001,867	$325,876,740	11.08%
Region 4: UCF	$336,767,894	$64,313,679	$143,340,315	$544,421,888	18.50%
Region 5: USF	$274,529,087	$43,128,832	$116,123,959	$433,781,878	14.74%
Region 6: IRSC	$87,722,761	$11,157,933	$19,920,633	$118,801,327	4.04%
Region 7: FGCU	$169,175,777	$23,816,303	$47,903,170	$240,895,250	8.19%
Region 8: FAU	$353,150,578	$49,290,630	$81,162,195	$483,603,403	16.44%
Region 9: FIU	$300,265,793	$32,559,802	$65,374,974	$398,200,569	13.53%

In inflation-adjusted dollars

Table 12. The Estimated Economic Impacts of Start-Ups, by SBDC Region

Region	Direct Effect	Indirect Effect	Induced Effect	Total Effect	% of State
Economic Output (Sales) in US $					
Region 1: UWF	$103,393,129	$16,460,032	$28,240,014	$148,093,175	7.92%
Region 2: FAMU	$29,732,597	$14,993,851	$25,123,958	$69,850,405	3.74%
Region 3: UNF	$129,666,246	$32,228,824	$52,559,203	$214,454,273	11.47%
Region 4: UCF	$233,789,819	$48,841,010	$80,811,821	$363,442,650	19.44%
Region 5: USF	$206,099,495	$22,697,023	$53,753,041	$282,549,558	15.11%
Region 6: IRSC	$44,450,582	$6,732,649	$8,815,775	$59,999,006	3.21%
Region 7: FGCU	$187,840,931	$16,580,887	$31,196,335	$235,618,153	12.60%
Region 8: FAU	$186,871,915	$23,559,750	$41,114,377	$251,546,041	13.45%
Region 9: FIU	$172,433,658	$24,031,545	$47,849,562	$244,314,764	13.07%
Employment					
Region 1: UWF	428	129	220	777	7.66%
Region 2: FAMU	473	121	201	795	7.83%
Region 3: UNF	587	242	391	1,220	12.02%
Region 4: UCF	1,122	354	592	2,068	20.38%
Region 5: USF	823	165	381	1,369	13.49%
Region 6: IRSC	211	59	72	342	3.37%
Region 7: FGCU	806	127	230	1,162	11.45%
Region 8: FAU	766	162	293	1,220	12.02%
Region 9: FIU	696	165	335	1,196	11.78%
Labor Income in US $					
Region 1: UWF	$28,462,399	$5,231,910	$9,661,013	$43,355,322	7.71%
Region 2: FAMU	$8,752,111	$5,120,155	$8,318,868	$22,191,134	3.94%
Region 3: UNF	$34,359,133	$11,532,901	$17,579,386	$63,471,420	11.28%
Region 4: UCF	$58,292,364	$17,221,956	$26,848,624	$103,362,944	18.37%
Region 5: USF	$59,591,304	$8,406,780	$17,949,896	$85,947,979	15.28%
Region 6: IRSC	$12,333,777	$2,192,818	$2,789,756	$17,316,351	3.08%
Region 7: FGCU	$57,577,863	$6,053,998	$10,555,929	$74,187,790	13.19%
Region 8: FAU	$54,722,177	$8,814,475	$13,953,168	$77,489,820	13.77%
Region 9: FIU	$51,074,779	$8,570,310	$16,625,808	$76,270,898	13.56%
Value Added (Gross Regional Product)					
Region 1: UWF	$54,995,226	$8,646,219	$16,816,530	$80,457,975	8.07%
Region 2: FAMU	$13,257,891	$7,975,390	$14,821,953	$36,055,234	3.62%
Region 3: UNF	$63,457,122	$17,741,332	$30,608,457	$111,806,911	11.22%
Region 4: UCF	$107,477,794	$27,507,162	$47,623,694	$182,608,650	18.32%
Region 5: USF	$112,993,992	$12,967,351	$31,357,313	$157,318,656	15.78%
Region 6: IRSC	$20,913,224	$3,473,363	$4,968,221	$29,354,808	2.94%
Region 7: FGCU	$97,000,188	$9,170,243	$18,578,706	$124,749,137	12.52%
Region 8: FAU	$100,316,605	$13,894,580	$24,513,848	$138,725,033	13.92%
Region 9: FIU	$93,657,430	$13,545,085	$28,505,011	$135,707,506	13.61%

In inflation-adjusted dollars

Summary of Fiscal Impacts for 2020

Lastly, the FSU CEFA research team analyzed the fiscal impacts of the Florida SBDC's. In 2020, the SBDC Network received funding from a variety of sources, including: Federal Government agencies, the state of Florida, other local and regional match investment provided by host partner institutions of higher education, and public and private sector organizations. The 2020 annual cost of the Florida SBDC advising/consulting activities was $18.6 million. Of that amount, the Florida SBDC was able to leverage $10.5 million in host partner and state investment to secure $8.1 million in federal expenditures for further financing of the SBDC's activities. The research team assumed that the total cost of the Florida SBDC Network operations was $10.5 million. The IMPLAN® model was used to estimate the fiscal impacts associated with SBDC's activities. The research team calculated the tax impacts by region for SMEs and Start-Ups across the nine regions (see Table 13). The tax impacts included the federal, state & local impacts, by the following types: employee compensation, production and import taxes, household taxes, and corporate taxes. The sum of all types of tax collections by region, and market segment, were reported in the following Table. Across the various categories, the data indicate that the SBDC was responsible for generating $695.1 million in tax revenues. Finally, the cost-effectiveness, (or Return on Investment) was $66.18 in taxes generated for every $1 in state investment.[28]

Table 13. The SBDC Fiscal (Federal, State & Local) Impacts

Region	SMEs	Start-Ups	TOTAL
Region 1: UWF	$37,791,654.55	$13,902,895.44	$51,694,550
Region 2: FAMU	$30,340,560.43	$7,243,631.69	$37,584,192
Region 3: UNF	$58,641,139.57	$20,436,361.74	$79,077,501
Region 4: UCF	$101,998,630.71	$34,734,275.79	$136,732,907
Region 5: USF	$74,338,669.62	$27,827,887.18	$102,166,557
Region 6: IRSC	$21,808,156.22	$5,452,781.50	$27,260,938
Region 7: FGCU	$41,150,516.06	$22,190,488.66	$63,341,005
Region 8: FAU	$82,395,946.11	$23,952,120.61	$106,348,067
Region 9: FIU	$67,337,864.40	$23,573,245.18	$90,911,110
Total	**$515,803,138**	**$179,313,688**	**$695,116,825**

In inflation-adjusted dollars
*including federal, local, and state taxes.

[28] Calculation: Total taxes generated ($695.1 million) / state investment or cost ($10.5 million)

Conclusions

Since 1976, the Florida Small Business Development Center (SBDC) Network has been one of the pioneer economic and business development organizations in Florida. Designated as "the principal business assistance organization for small businesses in the state" [Fla. Stat. § 288.001], and designated by the Florida State University Board of Governors as a State of Florida Center [BOG Regulation 10.015], the Florida SBDC Network aligns its strategies, organizational capabilities, and investments with the State University System and Florida's Strategic Economic Development Plan to assist small and medium-sized businesses grow and contribute to the Florida's economy.

The Florida SBDC network is engaged in several activities to attain the objectives of its mission. Florida SBDCs offer qualified small businesses access to confidential, no-cost professional business consulting delivered by certified professional business consultants; no or low cost business development education programs that build the acumen of emerging and established business owners and managers, and access to information and research to enhance business decision-making success. These key services (consulting, education and research) seek to maximize client business success and sustainability, while enhancing the economic development goals, objectives and performance expectations of the network's funding partners.

In 2019-20, Florida SBDCs served nearly 30,466 Pre-venture, Start-up and established small businesses through consulting and training. In 20, approximately 224,303 consulting hours were provided to all clients via the SBDC network. Of these, 14,271 and 180,829 were provided to Pre-venture and the longer-term established business (SMEs) clients, respectively.

The Florida State University Center for Economic Forecasting and Analysis (FSU CEFA) was contracted in April 2021 to conduct a study on the economic impacts of the Florida SBDC's activities. The impacts included an estimation of jobs creation and retention/saved, and direct, indirect, and induced impacts of output or sales/revenues, jobs, income, and value-added (GRP) and jobs. The direct effects of these consulting services on Florida's economy are 12,228 jobs created and 10,947 jobs retained or saved, hence a total of 23,174[29] jobs.

Following a multi-level economic modeling approach consistent with previous economic impact studies conducted for the SBDC, FSU CEFA estimated that 38,797 jobs were generated, with approximately $7.4 billion in output (or sales/revenues), $2.2 billion in labor income (or wages) and over $3.9 billion in value added (or Gross Regional Product (GRP)), as a result of the SBDC's consulting services to small established

[29] Data may not add up exactly due to rounding.

businesses (SMEs and Start-Ups). FSU CEFA based its economic methodology on the previous studies conducted by the UWF HAAS Center "Impact of SBDC Business Development Activities on the Florida Economy" and Dr. James J. Chrisman's report (2012, 2017) on the "Economic Impact of Small Business Development Center Consulting Activities in Florida, and on other studies conducted for the SBDC's and commissioned by the Association of Small Business Development Centers. Several improvements were made to the methodology and described earlier in this report narrative. FSU CEFA used the survey results to estimate input data metrics for each industry sector, by region, in terms of employment, sales, income, and value added. Each of the nine SBDC regions were analyzed using the same data preparation and modeling methodology. The economic impacts of the SBDC in 2020 are summarized in Table 14, and include the total output or sales/revenues, the total jobs created and retained/saved, total labor income (wages), and the total value added (GRP).

Summary of Economic Impact Results

Table 14. Total Economic Impacts of the SBDC

Type of Impact*	2020 Statewide Impacts
Employment	**$7,412,487,197**
Labor Income	**38,797**
Economic Output (Sales)	**$2,202,682,268**
Value Added (GRP)	**$3,938,991,527**

In inflation-adjusted dollars
*The total economic impacts include direct, indirect and induced impacts

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Appendices

Appendix A. Raw Frequencies Adjustment

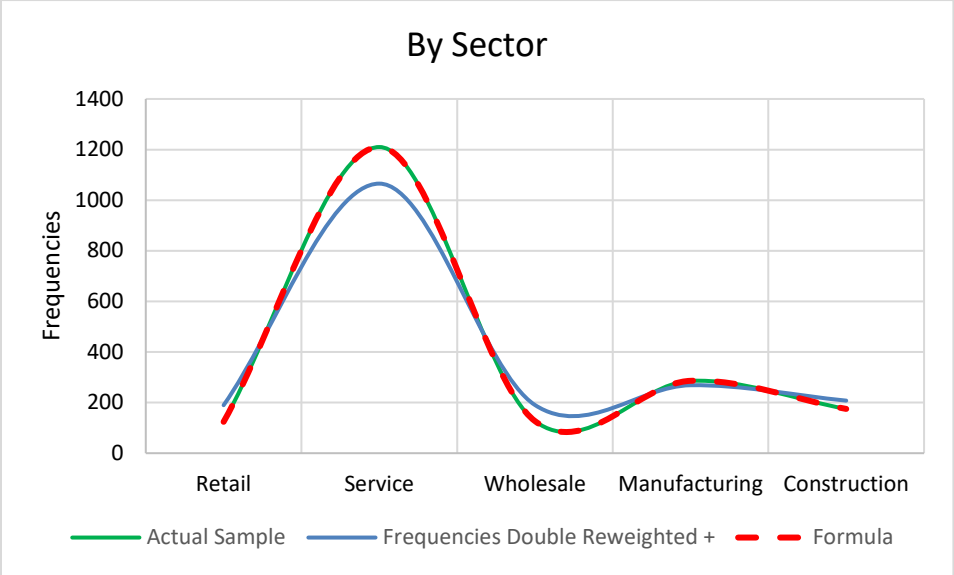
For inferences,[30] region and industry sample frequencies were recalibrated, or redistributed, to each cell using a weighting methodology, across both region and industry sector frequencies, according to the following equation:

$$Y = \sqrt[2]{e^{(ln(\sum \quad Region\, n)+lnln\,((\sum \quad Ind.i)\text{^}2))}}/\alpha$$

In applying the formula, industry and regional total sums (rows and column totals) are used to re-populate the individual matrix nodes, this taking that the totals (row and column) are "closer" to the needed sample sizes than the broken out or subsets data points, per industry and region. In using the formula, the "redistribution" to industry was kept the same, whereas the "redistribution" by region was slightly altered. The research team left the industry results as they represent a potential better distribution (as the total was divided over five sub-categories only). In addition, the industry cross-section of the sample still has a meaning in terms of not only the SBDC clientele, but ultimately also in terms of distribution of the industries within the larger Florida economy. On the regional side, the formula results show a slight "smoothing". It is noted that any applied distribution would have smoothed extreme values or outliers. The applied redistribution per region can be perceived as a measure of rank, as the sub-sample sizes are rather small. The α factor in the formula is only an adjustment factor to scale the totals back to the original order or size. Figures 6 and 7 show the recalibration or redistribution from the industry and regional perspectives, respectively.

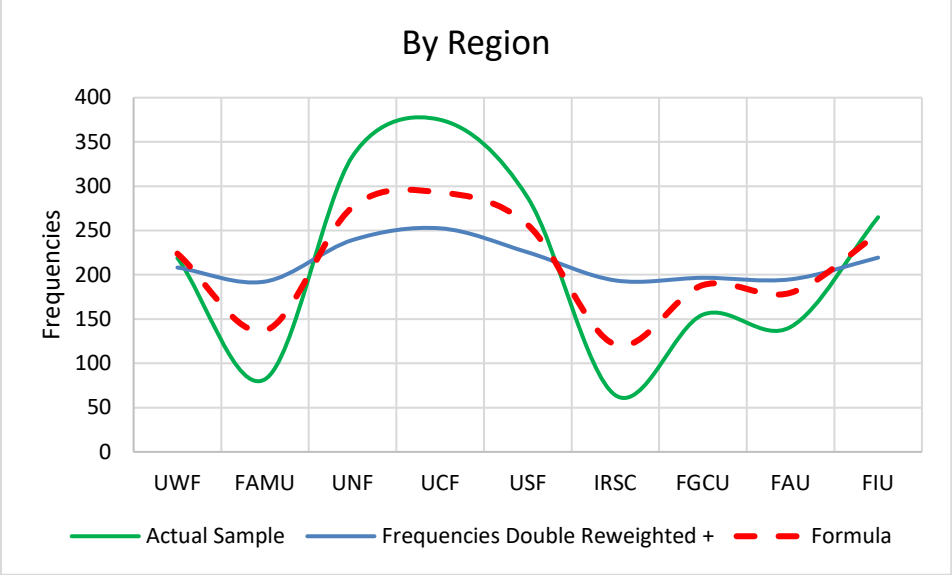
[30] None of the exponential shaped distributions using @RISK software offered a close enough theoretical distribution on the small sample subsets, this for inferences purposes on the clientele population.

Figure 4. Comparative View of the Redistribution of the SBDC Clientele Survey Sample Frequencies by Sector



The actual sample frequencies match the results using the formula. For comparative purposes, the formula used three years ago is also added (see "Frequencies Double Reweighted +"). This specific methodology when applied to the current survey results would have shown a much further "smoothing".

Figure 5. Comparative View of the Redistribution of the SBDC Clientele Survey Sample Frequencies by Region



The distribution over the regions show more “volatility”, whereas the actual sample frequencies are represented with the green line. The formula results are depicted by the red dashed line, and the methodology used three years ago in blue line (see “Frequencies double reweighted +”). The two series, “Actual Sample” frequencies and the “Frequencies double re-weighted” may be interpreted as representing the upper and lower tails in the data distribution frequencies, whereas the “Formula” results represent a central tendency or bracket of a distribution, if distributions were placed vertically in the figure for each region. It is the best representation that the FSU CEFA could offer given the small sample size.

Appendix B. Copy of the SBDC Survey Questionnaire

2021 Annual Survey

Q1 Dear ${m://FirstName},

Thank you for your participation in this important assessment of the professional services provided by the Florida Small Business Development Center (SBDC) Network. As a past or present customer, your accurate and candid response to the following questionnaire will assist us in our continuous efforts to enhance our professional business services and provide our funding partners with an accurate calculation of their return on investment. It is the investment of our funding partners that allows us to offer our professional business consulting expertise to small business owners like you at no-cost.

By law, we are required to protect your confidentially. Therefore, all individual responses will be kept strictly confidential and not shared with ANY third-party. We will use only the aggregate analysis of all customer responses.

The amount of time to complete the survey is

approximately 3 to 10 minutes. On behalf of the Florida

SBDC, thank you for your time and effort.

Dr. Cheryl
Kirby,
Interim
CEO
Florida
SBDC
Network

Q2 **Please consider the time you spent with ${e://Field/PrimaryConsultant} from the Florida SBDC at ${e://Field/Region}. Then, read the statements and indicate your level of agreement with each one.**

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
The consulting I received was beneficial.	○	○	○	○	○
I was very satisfied with the consulting I received.	○	○	○	○	○
The consultant's knowledge and expertise on the subject matter was evident.	○	○	○	○	○
My working relationship with the consultant was excellent.	○	○	○	○	○
I would recommend the Florida SBDC to a friend or business associate.	○	○	○	○	○

Q3 **In 2019 and/or 2020, were you IN BUSINESS?**

"YES" if any of the following are true: Generated income from selling goods or performing services. Compensated employee(s) and/or independent contractor(s). Incurred necessary deductible business expenses.

- ○ **No**
- ○ **Yes**

Q4 **What description from the following list best describes your BUSINESS TYPE?**

- ○ Agriculture, Forestry, Fishing and Hunting
- ○ Mining
- ○ Utilities
- ○ Construction
- ○ Manufacturing
- ○ Wholesale Trade
- ○ Retail Trade
- ○ Transportation and Warehousing

- ○ Information
- ○ Finance and Insurance
- ○ Real Estate and Rental and Leasing
- ○ Professional, Scientific, Technical Services
- ○ Management of Companies and Enterprises
- ○ Administrative and Support
- ○ Educational Services
- ○ Health Care and Social Assistance
- ○ Arts, Entertainment, and Recreation
- ○ Accommodation and Food Service

Q5 **What <u>YEAR</u> (YYYY) was the business <u>ESTABLISHED</u>?**

_____

Q6 **What were your businesses <u>TOTAL GROSS REVENUES</u> (before expenses and taxes) for each calendar year below?**

Use whole numbers only; no decimals or negative numbers. If you were not in business, or did not have revenue, please enter "0" (zero) in the appropriate blank(s).

	YEAR END 2019	**YEAR END** 2020
TOTAL GROSS REVENUES ($)		

Q7 **How many <u>EMPLOYEES</u> (including working owners) did the business employ at the end of each calendar year below?**

Use whole numbers only; no decimals or negative numbers. If you were not in business, or did not have employees, please enter "0" (zero) in the appropriate blank(s).

	YEAR END 2019	**YEAR END** 2020
# FULL TIME EMPLOYEES(35 or more hours per week)		
# PART TIME EMPLOYEES(less than 35 hours per week)		
# INDEPENDENT CONTRACTORS(1099 Employees)		

Q8 **SBDC professionals help businesses recover, rebuild, reinvent and save jobs.**

As a result of, or in part due to the assistance you received from the SBDC, please estimate the number of JOBS SAVED (including working owners) in 2020.

Jobs Saved - Defined as the number of jobs that were at possible risk of loss that were saved or retained in part or in whole as a result of SBDC assistance.

Use whole numbers only; no decimals or negative numbers. If the Florida SBDC did not assist you in saving jobs, or did not have employees, please enter "0" (zero) in the appropriate blank(s).

	YEAR END
	2020
# FULL TIME EMPLOYEES(35 or more hours per week)	
# PART TIME EMPLOYEES(less than 35 hours per week)	
# INDEPENDENT CONTRACTORS(1099 Employees)	

Q9 **SBDC professionals help small businesses access the capital they need to grow.**

As a result of, or in part due to the assistance you received from the Florida SBDC at ${e://Field/Region}**, what was the TOTAL AMOUNT CAPITAL your business raised in 2020?**

Use whole numbers only; no decimals or negative numbers. If the Florida SBDC did not assist your business to access capital, or you did not access capital, please enter "0" (zero) in the appropriate blank(s).

	CAPITAL RAISED
	$
Commercial Bank Loan(s): Obtained (excludes SBA Guaranteed Loans & Disaster Loan)	
SBA Guaranteed (7a or 504) Loan(s):	
SBA Physical or Economic Injury Disaster Loan(s):	
Owner Equity Investment:	
Other Equity Investment:	

Q10 **SBDC professionals help businesses grow by helping them acquire government contracts.**

As a result of, or in part due to the assistance you received from the Florida SBDC or Florida PTAC (Procurement and Technical Assistance Center), did your business ACQUIRE GOVERNMENT CONTRACTS in 2020?

- ○ **No**
- ○ **Yes**

Q11 **What was the total number and value for each type of GOVERNMENT CONTRACT you secured in 2020?**

Use whole numbers only; no decimals or negative numbers. If the Florida SBDC or Florida PTAC did not assist you acquire a government contract, or you did not acquire a certain type of contract, please enter "0" (zero) in the appropriate blank(s).

	CONTRACTS ACQUIRED	TOTAL CONTRACT VALUE
	#	$
EDERAL DOD PRIME CONTRACTS:		
FEDERAL DOD SUB CONTRACTS:		
FEDERAL NON-DOD PRIME CONTRACTS:		
FEDERAL NON-DOD SUB CONTRACTS:		
STATE PRIME CONTRACTS:		
STATE SUB CONTRACTS:		
LOCAL PRIME CONTRACTS:		
LOCAL SUB CONTRACTS:		
PRIVATE SECTOR CONTRACTS:		

Q12 **In 2020, was your ABILITY TO ACCESS CAPITAL that your business needed harder or easier than you expected?**

- ○ **More Difficult**
- ○ **As Expected**
- ○ **Less Difficult**

Q13 **If needed, do you expect it to be difficult to access the capital your business needs to grow in 2021?**

- ○ **No**
- ○ **Yes**

Q14 **In 2021, do you expect your SALES REVENUES to increase, decrease or stay the same?**

- ○ **Decrease substantially**
- ○ Decrease Moderately
- ○ **Remain the Same**
- ○ Increase Moderately
- ○ **Increase substantially**

Q15 **In 2021, do you expect your INTERNATIONAL SALES REVENUES to increase, decrease or stay the same?**

- ○ **Decrease substantially**
- ○ Decrease Moderately
- ○ **Remain the Same**
- ○ Increase Moderately
- ○ **Increase substantially**
- ○ We Don't Export

Q16 **Would you like assistance to help develop a strategy to expand your business internationally?**

- ○ **No**
- ○ **Yes**

Q17 **In 2021, do you plan to decrease or increase the businesses NUMBER OF EMPLOYEES?**

- ○ **Decrease substantially**
- ○ Decrease Moderately
- ○ **Remain the Same**
- ○ Increase Moderately
- ○ **Increase substantially**

Q18 **What are your biggest <u>BARRIERS, CHALLENGES, AND ISSUES</u> for starting or growing your business?**

From #1 being the biggest and #10 being the least, please arrange (top to bottom) each of the following items keeping you from growing or starting your business.

_____Access Capital (identifying, applying, qualifying for credit/funding)
_____Business Continuity (planning, preparing, overcoming disaster)
_____Business Cost (cost or expense of conducting and operating business)
_____Business Growth (expanding/diversifying markets and revenues)
_____Business Intelligence (affordability of trusted advisors, big data)
_____Economic Uncertainty (market and political instability)
_____Financial Literacy (analyzing and interpreting financial statements)
_____Global Competition (services or products provided by foreign companies)
_____Government Regulations (health care reform, taxes, permits and licenses)
_____Workforce Quality (recruiting/retaining qualified workers)

Q19 **Florida SBDCs, and our network of partners and professionals, strive to provide high-quality professional business consulting that creates meaningful results for our business clients and stakeholders. It is our funding partners that allow us to make our professional consulting services available at no-cost.**

Please provide a <u>CUSTOMER TESTIMONIAL</u> about your experience with ${e://Field/PrimaryConsultant} **at the Florida SBDC at ${e://Field/Region}. Share how they helped your business grow. (Optional)**

_____

_____

_____

_____

_____

Q20 **May we have your <u>PERMISSION</u> to share your testimonial publicly?**

○ **No**

Q21 Would you be willing to chat with us about your businesses' ongoing experiences with COVID-19?

- **No**
- **Yes**

Q22 **Have you ever attended or graduated from a State University in Florida?**

- **No**
- **Yes**

Q23 **What University did you attend or graduate? (Pick the one you earned the most credit or received your highest degree)**

- Florida Agricultural and Mechanical University (FAMU)
- Florida Gulf Coast University (FGCU)
- Florida Polytechnic University
- New College of Florida
- University of Florida (UF)
- University of South Florida (USF)
- Florida Atlantic University (FAU)
- Florida International University (FIU)
- Florida State University (FSU)
- University of Central Florida (UCF)
- University of North Florida (UNF)
- University of West Florida (UWF)

Q24 **Florida SBDC personnel are strictly prohibited from making personal financial investments in client businesses, or soliciting outside paid consultant agreements that may result in personal gain from our customers.**

Did anyone from the Florida SBDC at ${e://Field/Region} ask that you contract with them for personal or professional services?

- ○ **No**
- ○ **Yes**

Q25 **If "Yes," please explain who and what offer was made.**

_____

_____

_____

Q26 **Do you have any other feedback that you would like to provide?**

_____

_____

_____

_____

_____

Appendix C. The Florida SBDC Network List of Regional Identification Codes

Florida SBDC Network Regional Identification					
Number County	University/ College	County	Number County	University/ College	County
1	UWF	Escambia	37	UCF	Orange
2		Okaloosa	38		Brevard
3		Santa Rosa	39		Seminole
4		Walton	40		Volusia
5		Bay	41		Lake
6		Jackson	42		Osceola
7		Washington	43		Flagler
8		Holmes	44		Sumter
9		Gulf	45	USF	Hillsborough
10		Calhoun	46		Pinellas
11	FAMU	Leon	47		Sarasota
12		Gadsden	48		Polk
13		Wakulla	49		Pasco
14		Franklin	50		Manatee
15		Taylor	51		Hernando
16		Jefferson	52		Highlands
17		Madison	53		Desoto
18		Liberty	54		Hardee
19	UNF	Duval	55	IRSC	St. Lucie
20		Marion	56		Martin
21		Alachua	57		Indian River
22		St. Johns	58		Okeechobee
23		Clay	59	FGCU	Lee
24		Citrus	60		Collier
25		Nassau	61		Charlotte
26		Putnam	62		Hendry
27		Columbia	63		Glades
28		Levy	64	FAU	Palm Beach
29		Suwannee	65		Broward
30		Bradford	66	FIU	Miami-Dade
31		Baker	67		Monroe
32		Gilchrist			
33		Dixie			
34		Hamilton			
35		Union			
36		Lafayette			