



Operation HOPE/SurveyMonkey: 1MBB Initiative Inaugural Survey



March 2021



Methodology & Resources



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2021 1MBB Membership Q1 Survey

- **Sample size:** 1,167 adults who participate in the 1MBB initiative, minority small business owners (SBO) and entrepreneurs, including 866 Black women and 296 Black men.
- **Sample composition:** Among the 1,167 respondents:
 - 371 aspiring entrepreneurs
 - 302 new SBOs (<1 year)
 - 356 recent SBOs (1-5 years)
 - 138 experienced SBOs (>5 years)
- **Field dates:** February 10 - 27, 2021
- **Resources:**
 - [Final questionnaire](#)
 - [Survey crosstabs and open-ends](#)



Executive Summary



Highlights

Most Black aspiring entrepreneurs and small business owners find the odds stacked against them in building their businesses: 79% say minority entrepreneurs are much less likely to succeed in building a business compared with whites.

Despite what they perceive as long odds, nearly as many (69%) are counting on their small business as their primary source of income.

The pandemic adds yet another strain: 77% say COVID-19 will have permanent effects on the way they run or start their business.

Yet, a few glimmers of HOPE exist:

- 1. Virtually all (98%) Black SBOs are hopeful they will succeed in their business goals***
- 2. Most think the Biden administration will have a good impact on small business (69%)***
- 3. Operation HOPE 1MBB participants index higher than nationwide CNBC|SurveyMonkey Small Business survey respondents (both Black and White small business owners alike) and are more optimistic on most measures.***
- 4. HOPE Minority Small Business Index value is 67 out of a possible 100***

1MBB and CNBC Black Small Business Survey comparison

1MBB SBOs more optimistic about the future than Black CNBC Small Business national SBOs.

CNBC Small Business Survey Black SBOs:*

- The index value for Black small business owners is **61 out of a possible 100**.
- **53%** expect revenue to increase
- **47%** expect tech innovation to have a positive effect on their business
- **27%** expect to increase their full-time staff

1MBB Participants:

- The index value for the 1MBB participants is **67 out of a possible 100**.
- **86%** expect revenue to increase
- **74%** expect tech innovation to have a positive effect on their business
- **52%** expect to increase their full-time staff

*Source: <https://www.surveymonkey.com/curiosity/cnbc-small-business-q1-2021/?q=small%20business> The overall sample index value for Q1 2021 is **43 out of a possible 100**, the lowest level since 2017.



HOPE Minority Small Business Index



HOPE Minority Small Business Index

The overall index value for Q1 2021 is 67.

Purpose: The HOPE index is intended to quantify the experiences and hopefulness of Black small-business owners and entrepreneurs. Each question touches on a different aspect from hope for business success, to having a trusted mentor, to risk tolerance, their access to capital, and finally, future outlook on systemic issues that impede success for minority small-business owners.

Index calculation

The index consists of 5 questions, represented by A,B,C,D,E in the below formula. Each question is on a 4 point scale where the most intensely positive responses are assigned a value of 3 (e.g. Very hopeful), slightly positive responses are assigned a value of 2 (e.g. Somewhat hopeful), slightly negative responses are assigned a 1 value (e.g. Not too hopeful) and the most negative responses, a zero value.

The index score for each individual and overall can range from 0 to 100. The HOPE Index is among Black small-business owners and aspiring entrepreneurs calculated based on the following formula:

$$HOPE\ Index\ score = \frac{(A+B+C+D+E)}{5} * \left(\frac{100}{3}\right)$$

HOPE/SurveyMonkey Minority Small Business Index: Questions

- ***“How hopeful are you that you will succeed in your business goals?”*** **<Personal Hope>**
Very hopeful
Somewhat hopeful
Not too hopeful
Not hopeful at all
- ***“How much do you agree or disagree with the following statement: I have someone trustworthy I can turn to for help making business decisions.”*** **<Mentorship>**
Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
- ***“How comfortable are you taking risks when it comes to advancing your small business?”*** **<Risk Tolerance>**
Very comfortable
Somewhat comfortable
Not too comfortable
Not comfortable at all
- ***“How much access to financial institutions do you have today?”*** **<Access to Capital>**
A lot
Some
Not too much
Not at all
- ***“Looking ahead 1 year, how likely is it that minority small business owners will have an easier path to success?”*** **<Future Outlook>**
Very likely
Somewhat likely
Not too likely
Not likely at all

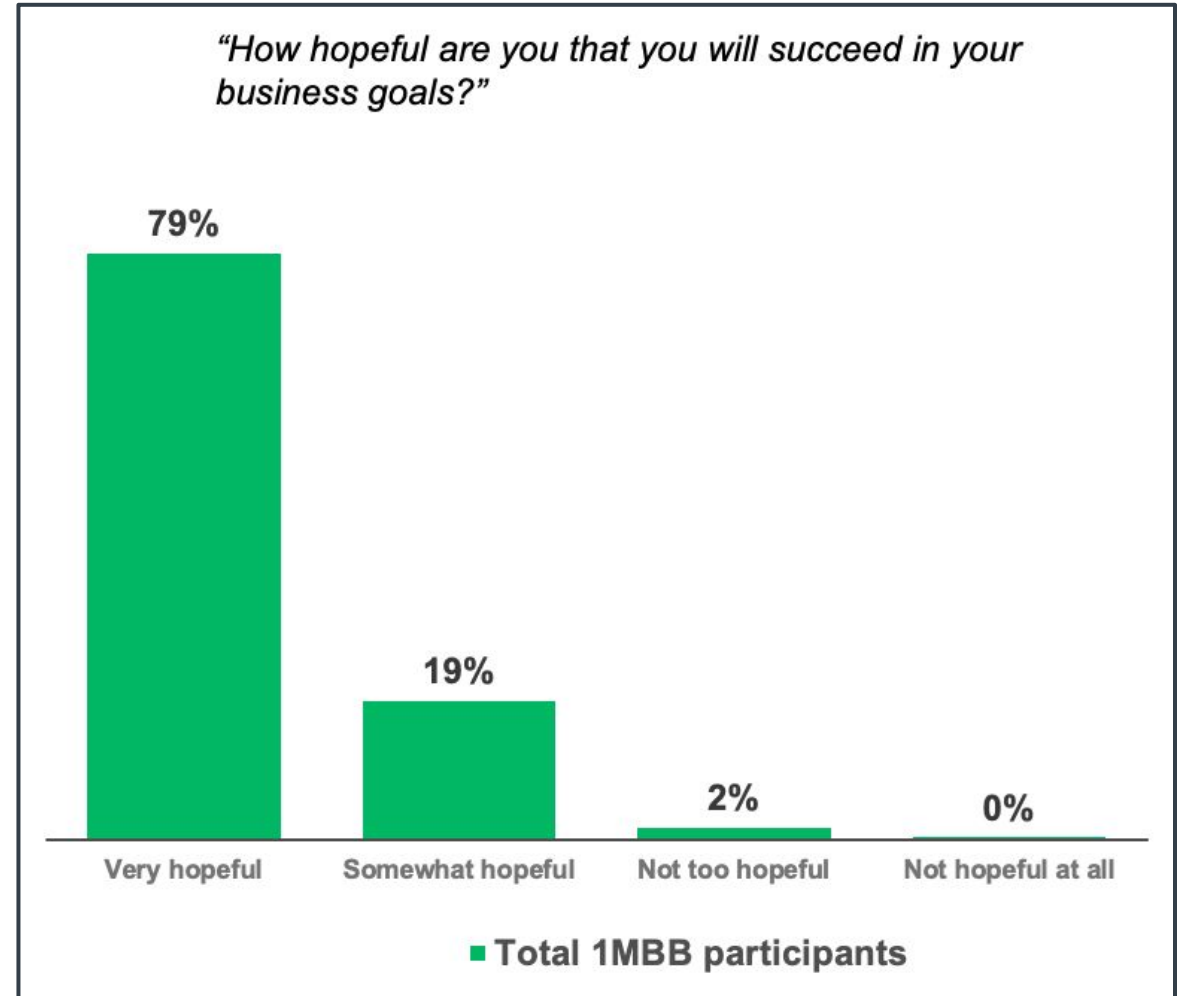
High Hopes for Success Among Black SBOs at All Stages

Virtually all SBOs are hopeful

- 98% total hopeful overall
- 79% are “very hopeful”
- Just 4% are “not too hopeful” or “not hopeful at all”

Newly launched businesses most hopeful

- Among new SBOs (<1 year), 84% “very hopeful”
- Other stages of entrepreneur/business ownership amount to nearly eight in 10 “very hopeful”



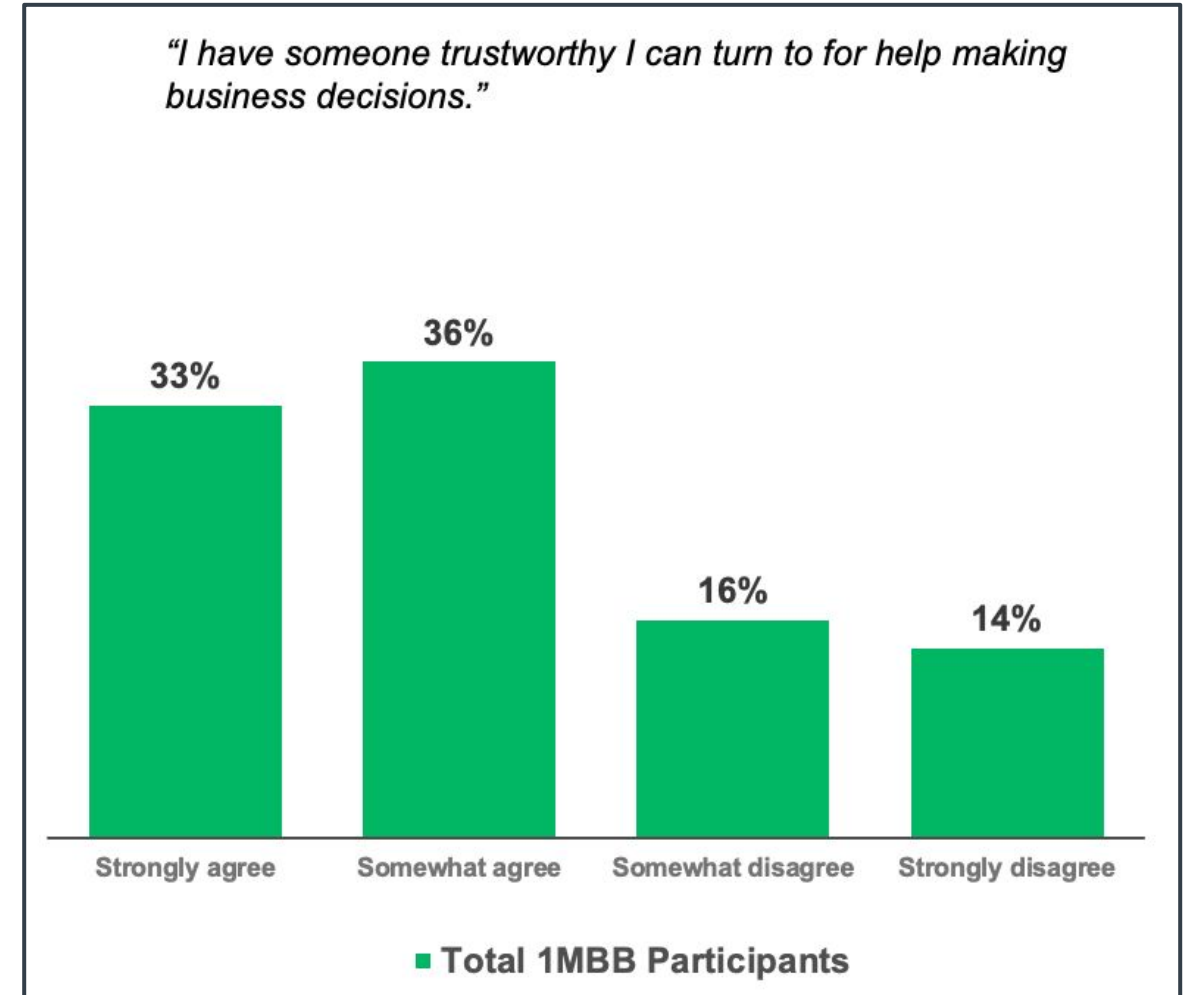
Many SBOs have Trusted Advisors for Business Decisions

Most have a trustworthy person to help with decision-making

- 69% total agree overall
- 33% “strongly agree”

Established and new business owners most likely to have this resource

- 76% of experienced business owners have someone they trust
- 73% of those new to small business ownership (<1 year) have this support





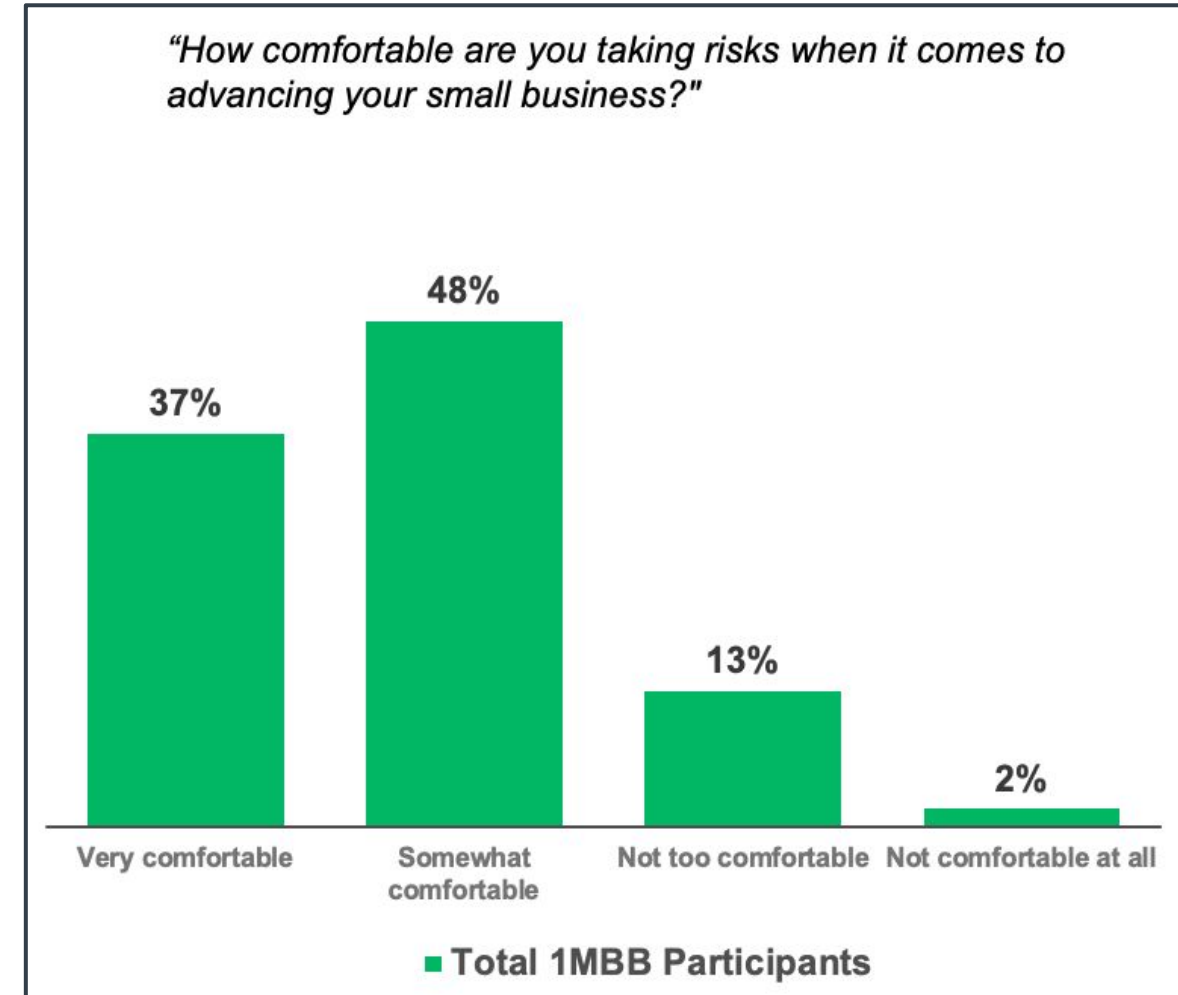
Established SBOs Most Comfortable Taking Risks

Majorities comfortable taking risks to benefit business

- 85% comfortable with risk-taking overall
- 37% “Very comfortable” with taking risks

The more time in business, the greater the shares most comfortable with risk-taking

- 52% of experienced business owners (>5 years) are “very comfortable”
- Just 30% of aspiring entrepreneurs feel the same





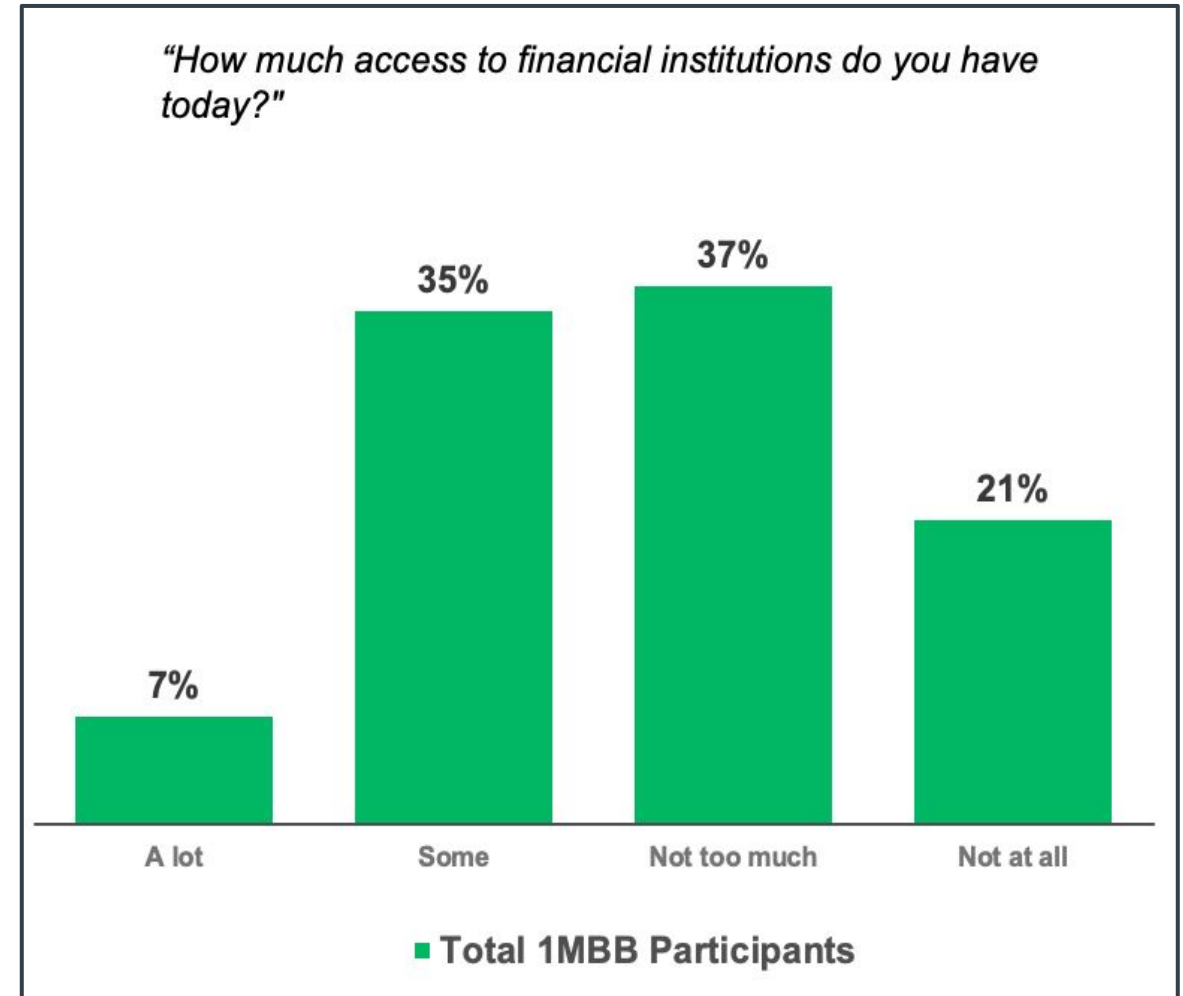
Majorities of SBOs Lack Adequate Access to Capital

Few find they have “a lot” of access to financial institutions today.

- Just 7% have “A lot” access overall
- Only 35% have “some” access overall

Aspiring entrepreneurs and new business owners struggle with access to capital, the group possibly in most in need to get started.

- 63% of new SBOs, (<1 year), lack access
- 26% of new SBOs have no access at all



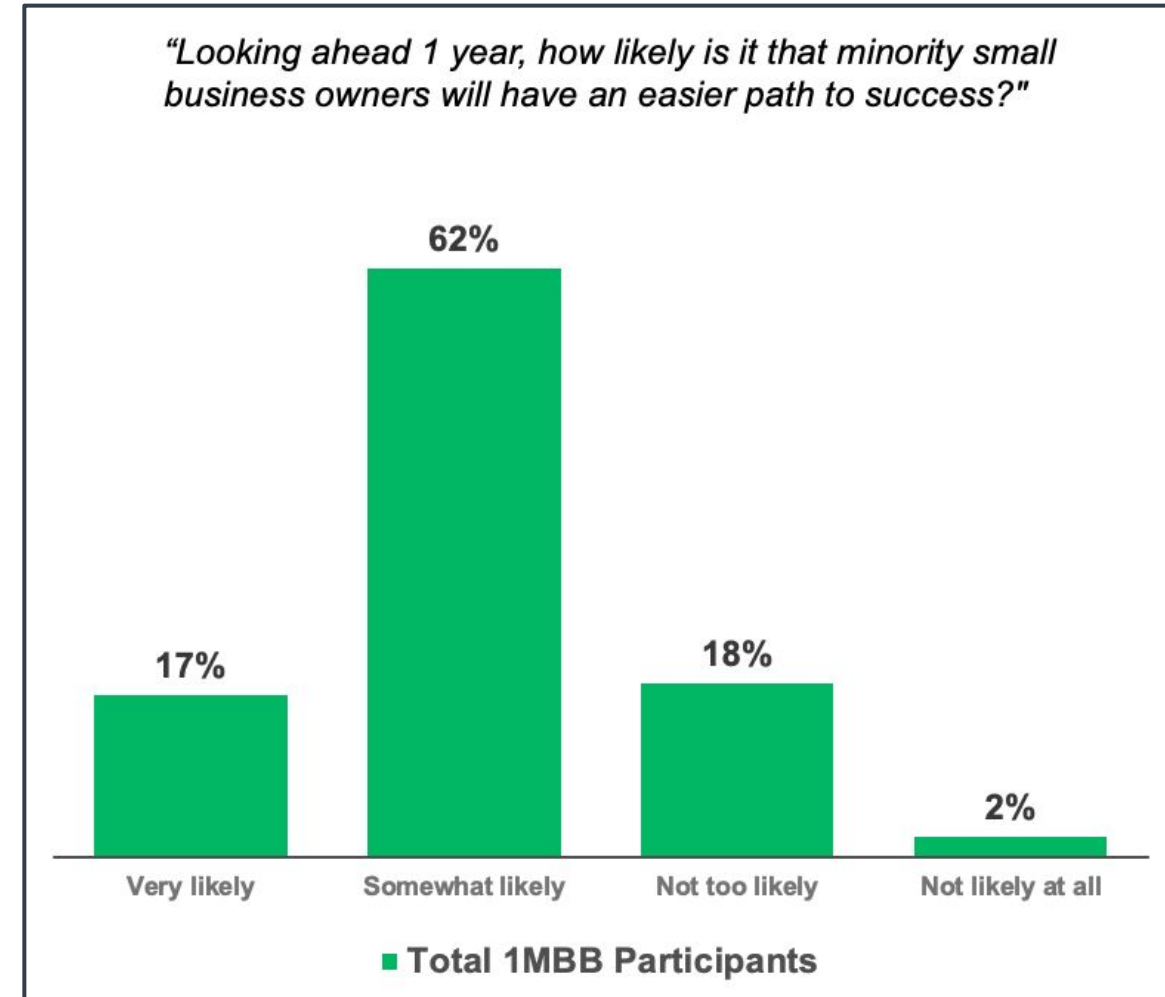
Future Outlook for Minority Business Success is Optimistic

Most are hopeful that a year from now, minority SBOs will have an easier path to success.

- 79% of SBOs overall think the future will likely be easier in this way.
- Only 17% see it as “very likely”

New SBOs make up the greatest proportion of those optimistic for the future.

- 22% of new SBOs say this future is “very likely”
- All other SBOs, fewer than two in 10.





Business Development: Needs and Opportunities

Percent of 1MBB participants who agree that...

...if black businesses
succeed, society will be
more equitable

95%

...not enough social, financial,
governmental support for minority small
business development exists in the U.S.

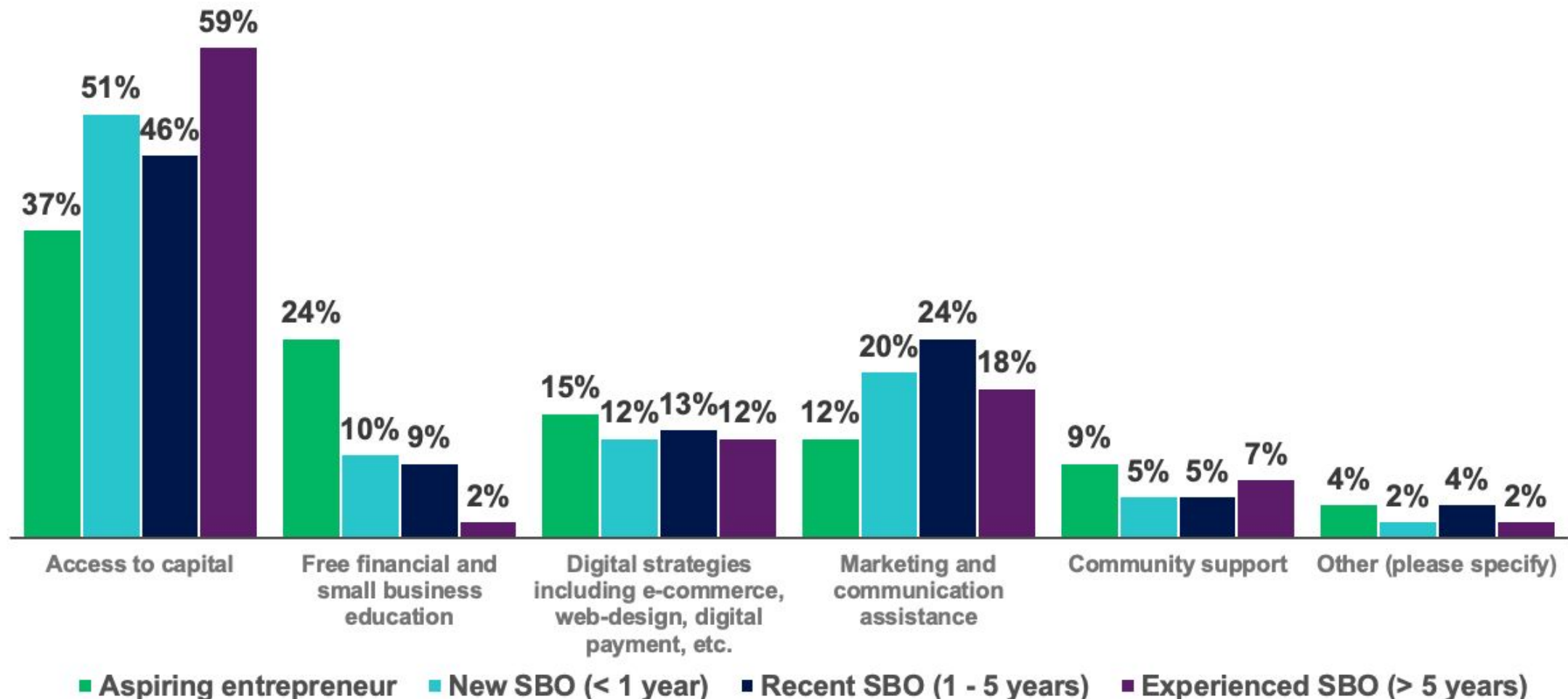
90%

...they see other minority small
business owners succeeding in
their community

70%

Access to Capital Top Cited Need to Help Minority Small Business Flourish

Established SBOs recognize this need +22 points over aspiring entrepreneurs





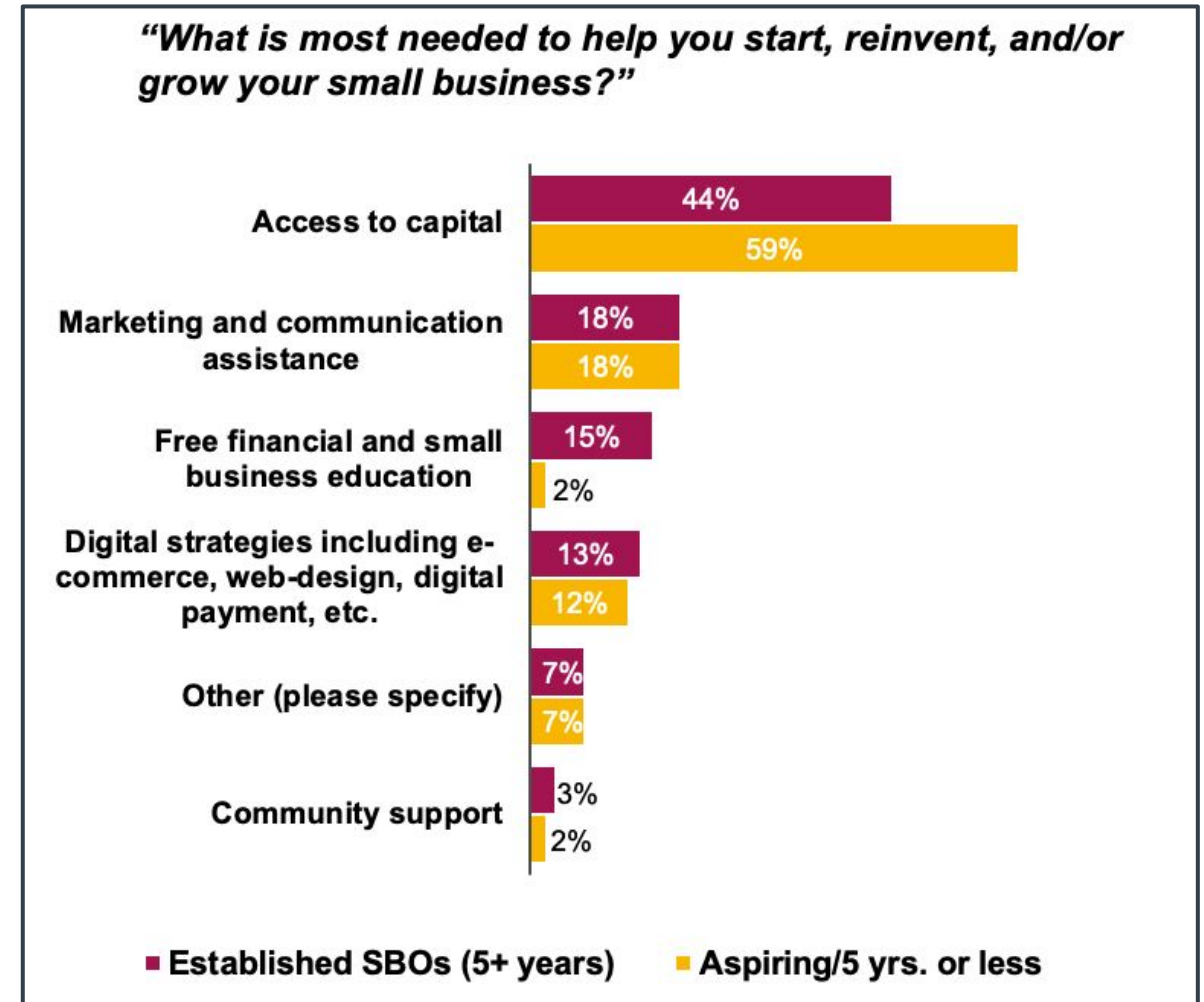
Needs of Minority SBOs are Clear, it's Access to Capital

Access to capital is critical to the success of business, regardless of years in business.

- 59% of established SBOs and
- 44% among newer SBOs recognize this need over all else.

In fact, SBOs cite capital as a need 2x the shares of any other business development resource listed.

- Less than two in 10 need marketing and communication assistance, financial education, digital strategies, and community support.



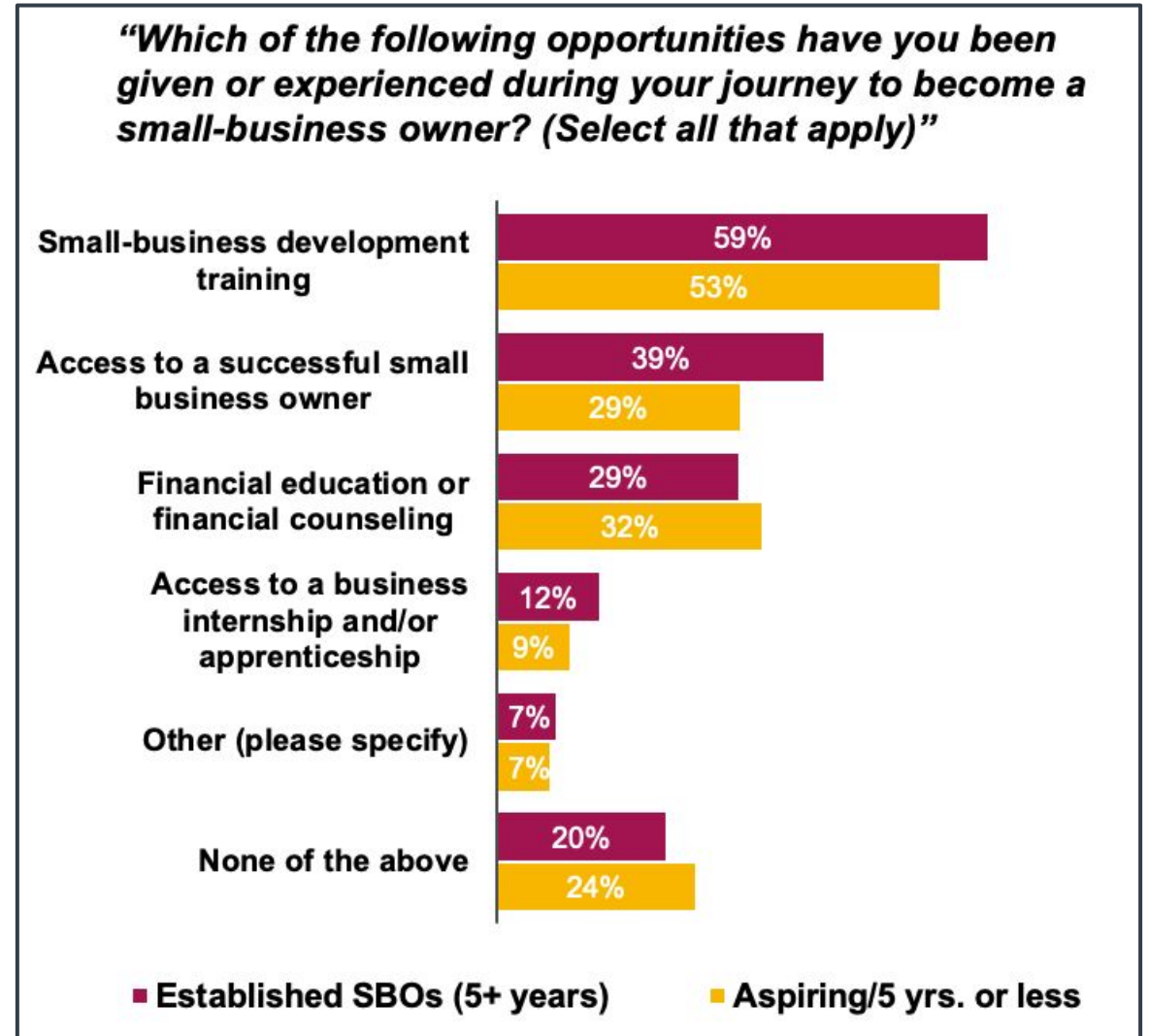
“I’m a service based business so my need is two-fold. Access to quality human capital and the financial capital to ensure those working with me can adequately service my clientele.”

“Affordable Equipment it’s extremely difficult for women like myself to be able to afford Film equipment and finance other needs including storage. If I had access to even gently used filming equipment it would open up more doors for me to hire others in this field. I can provide jobs and not just unpaid internships or exchange of Set Staff work for film credits.”

Eight in 10 are getting some form of support/mentorship

The top 3 selected include educational resources and connecting with a successful SBO:

1. Small business development: 54% overall
2. Financial counseling: 31% overall
3. Successful small-biz owner example: 30% overall





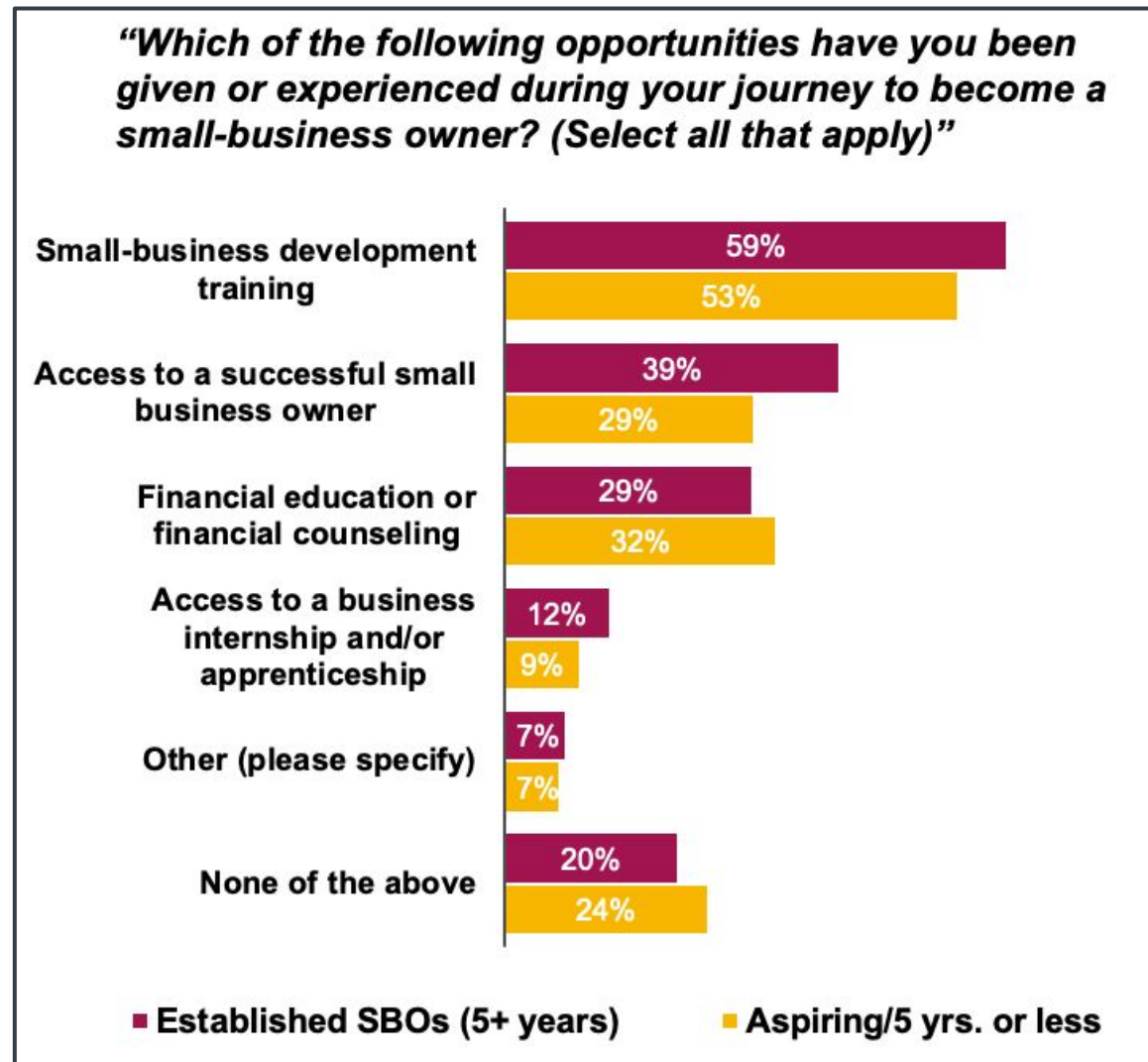
Support Opportunities Not Easily Accessible to All

Even still, 3 of the 4 opportunities listed have been given to far fewer shares than a majority.

Far fewer shares of new small business owners have a successful example to which they can turn

- Less than 4 in 10 (39%) experienced SBOs have such an example
- Even fewer (29%) of newer SBOs have access to such a trusted resource

Over two in 10 are at a disadvantage in never having experienced any opportunities listed to help launch their business.



“I have had to learned as I go. Also, have used resources like operation hope”

“Have been mostly reading books and asking questions from those more familiar”



CNBC Small-Business Index Comparison



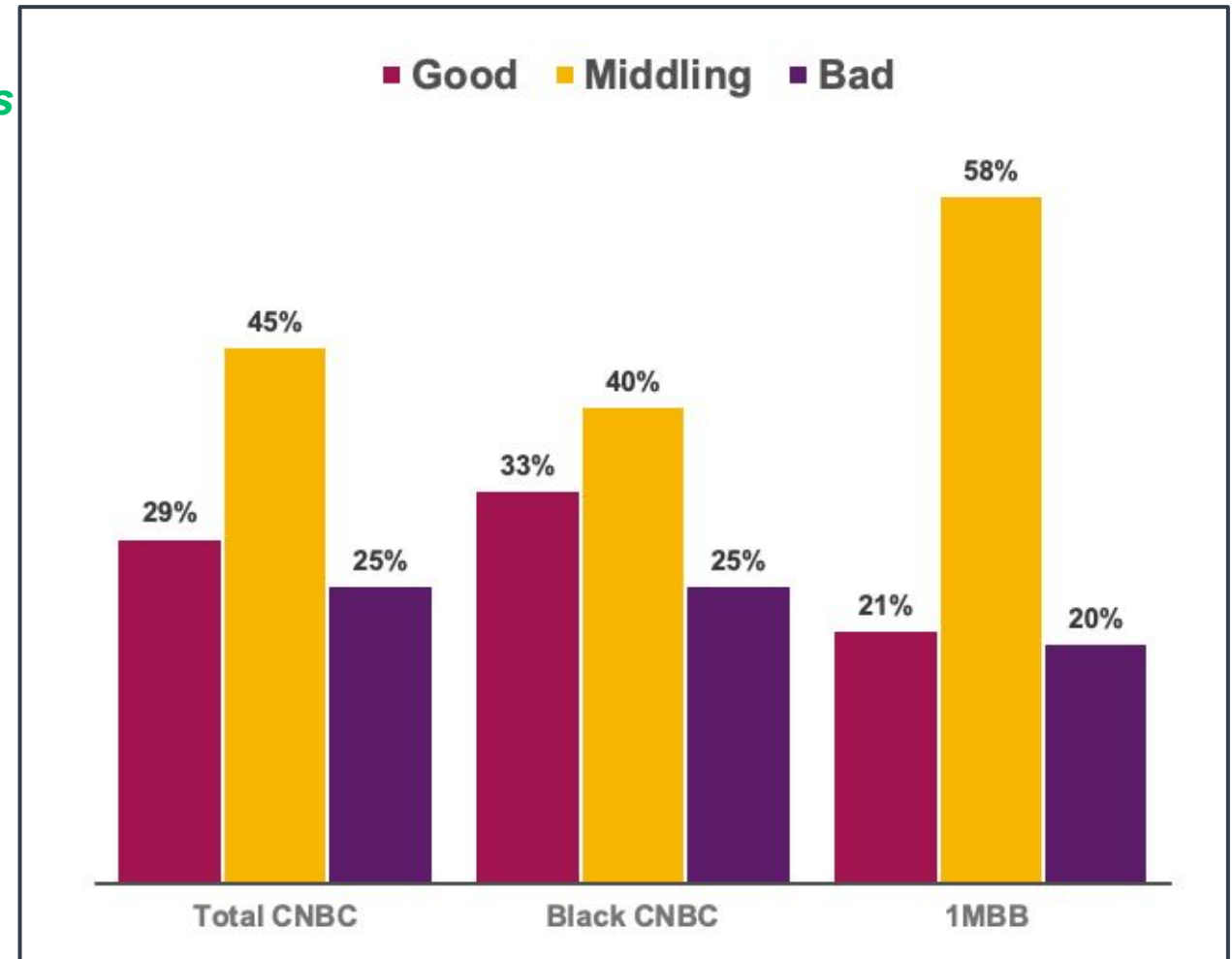
“Overall, would you describe current conditions for your business as good, middling or bad?”

Few small business owners nationwide describe current business conditions as “good” and fewer as “bad”.

- 33% of Black SBOs and 21% of 1MBB participants' businesses are “good”
- 25% of Black SBOs and 20% of 1MBB participants “bad” .

Most are “middling”

- 58% of 1MBB participants' are “middling”
- 45% among SBOs overall and 40% among Black SBOs



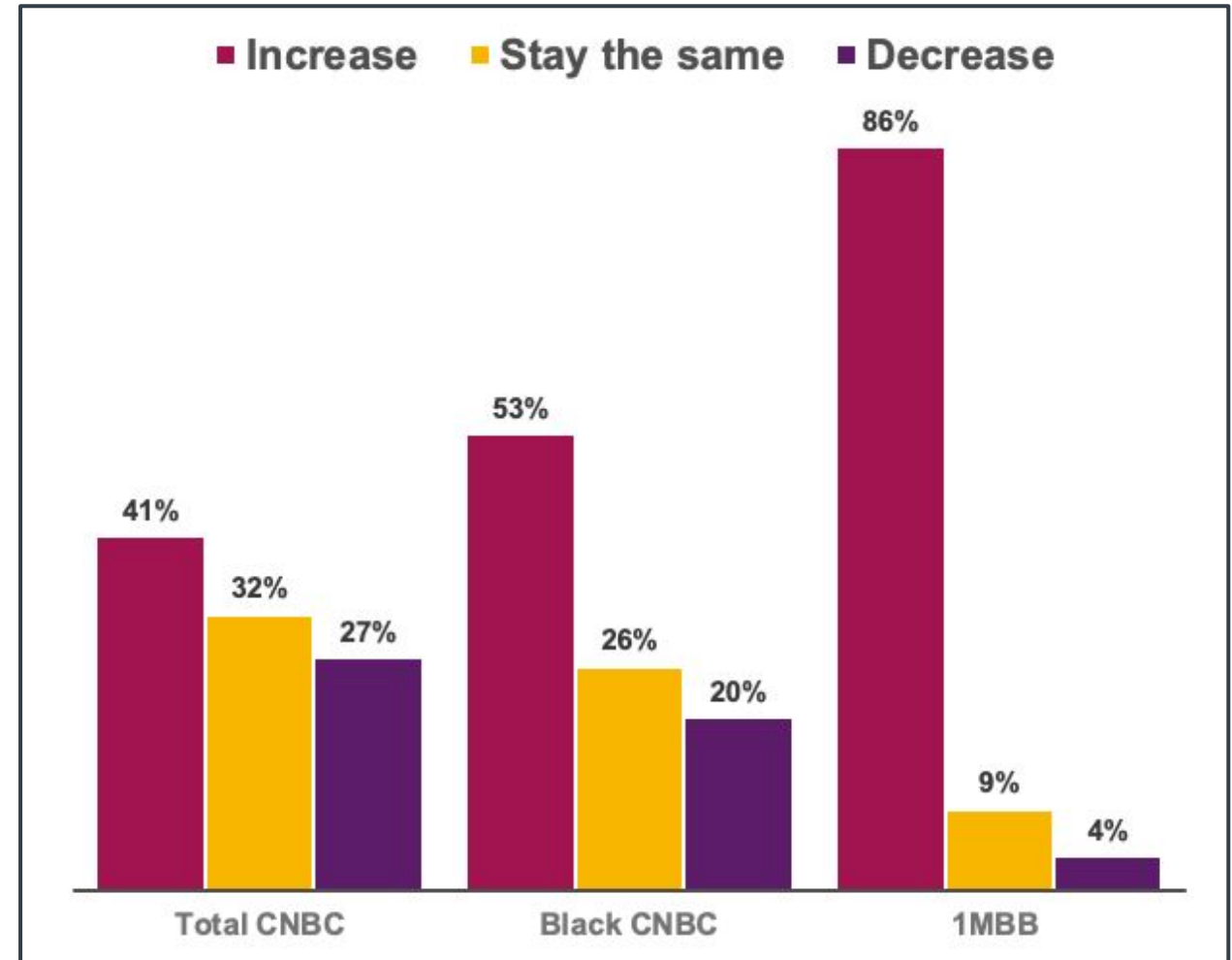


“In the next 12 months, do you expect your business’s revenue to increase, stay the same, or decrease?”

Many expect revenue to increase in the next year.

- Nearly all (86%) 1MBB participants expect revenue to increase.
- 53% of Black SBOs nationwide share the same optimism.
- Fewer shares overall (41%).

While half of Black SBOs nationwide (46%) expect their revenue to stay the same or decrease, just 13% of 1MBB participants share this expectation.

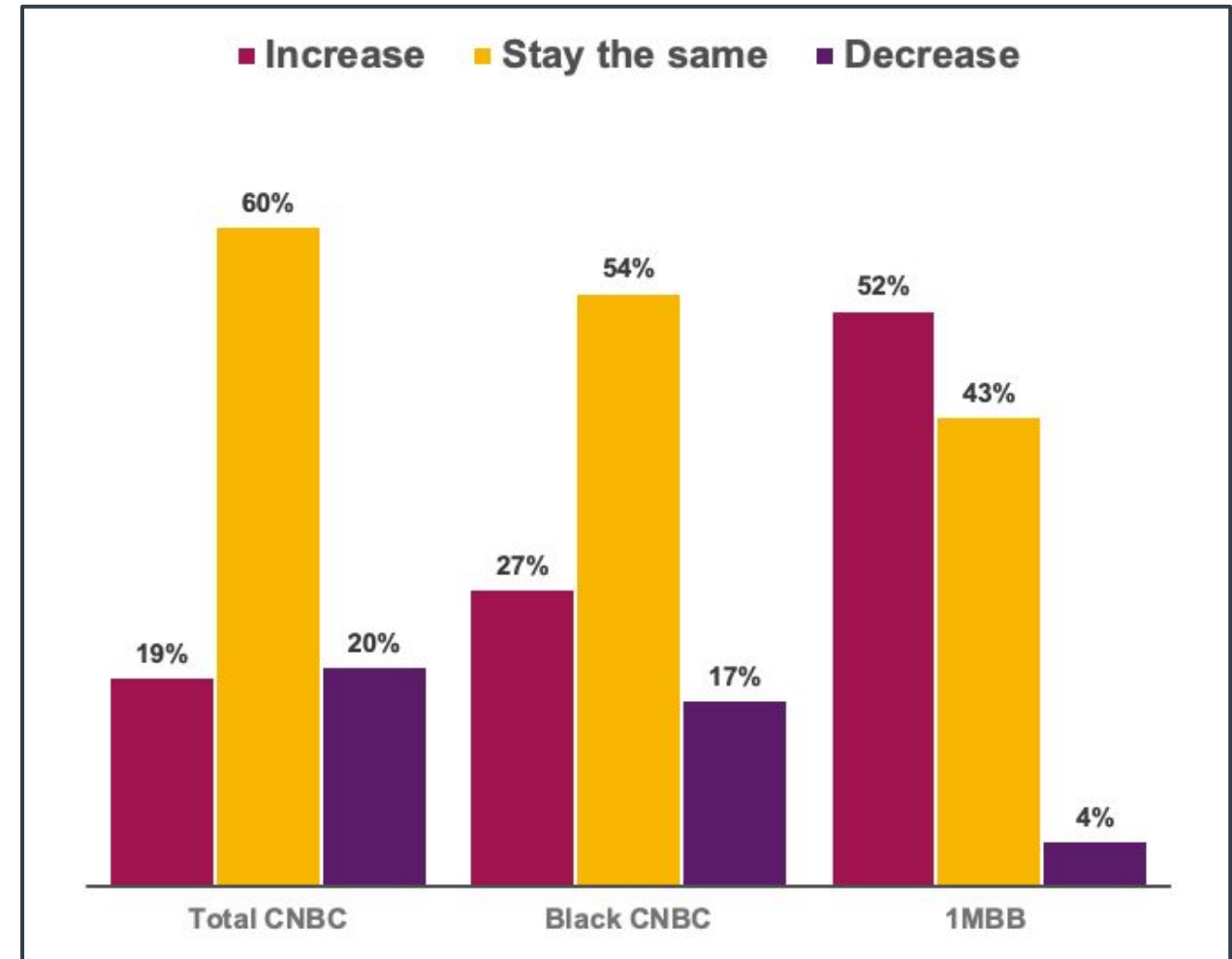


“In the next 12 months, do you expect your business’s staff of full-time employees to increase, stay the same, or decrease?”

Large differences exist between SBOs when it comes to the expectation to increase full-time staff.

- 52% of 1MBB participants expect to increase headcount
- Just 27% among Black SBOs nationwide
- Far fewer among SBOs overall (19%)

Far more SBOs overall (80%) and Black SBOs (71%) expect staff size will stay the same or need to decrease in the next year; 47% of 1MBB expect the same.



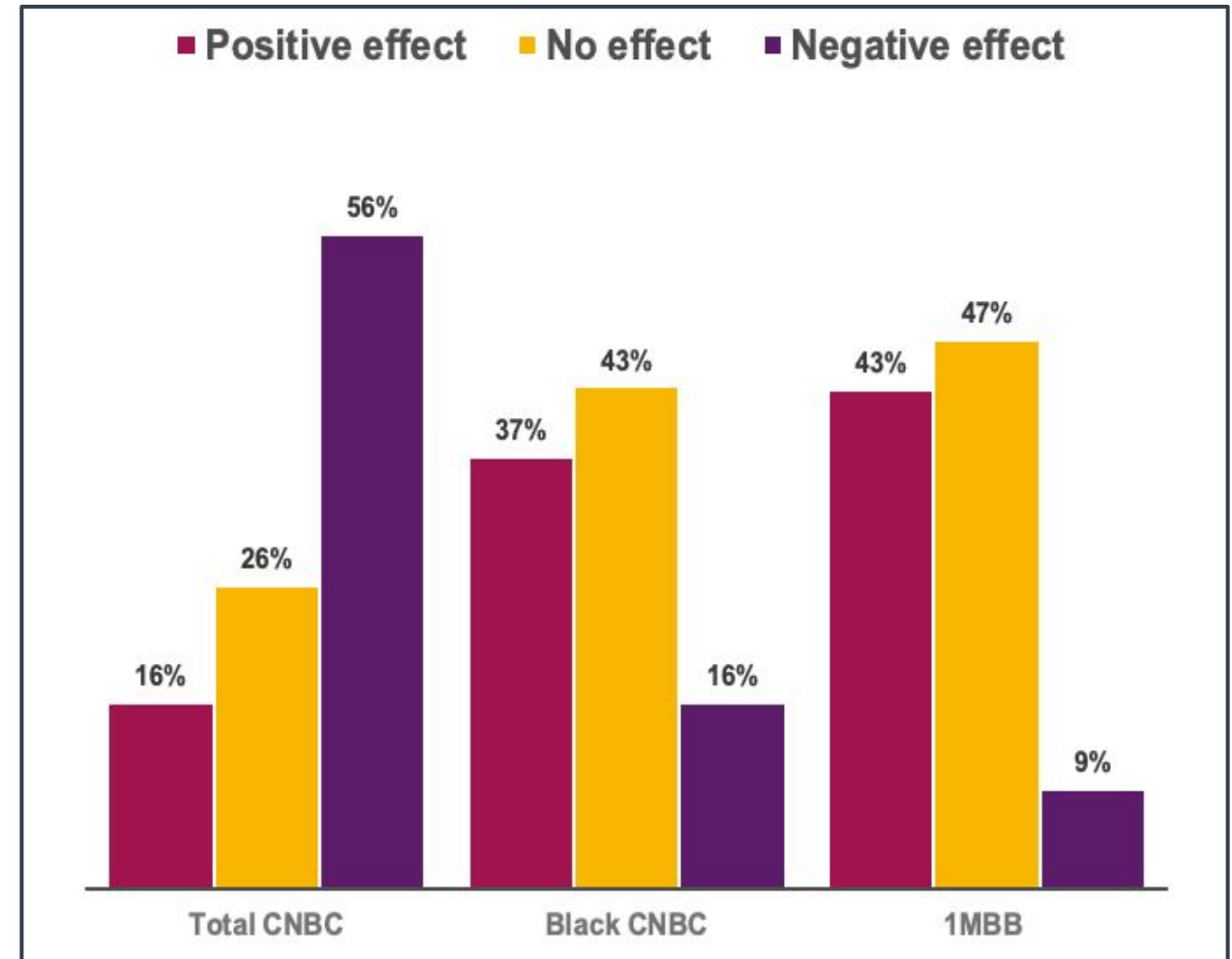


“In the next 12 months, do you expect changes in government regulations to have a negative effect, no effect, or a positive effect on your business?”

Many overall are skeptical that government regulation changes will bring good news for their business.

- 56% of SBOs overall anticipate a negative effect to their business, however,
- 43% of 1MBB participants think regulation changes will have a *positive* impact
- 37% of Black SBOs nationwide agree.

Nearly half (47%) of 1MBB participants and 43% among Black SBOs think there would be no effect.



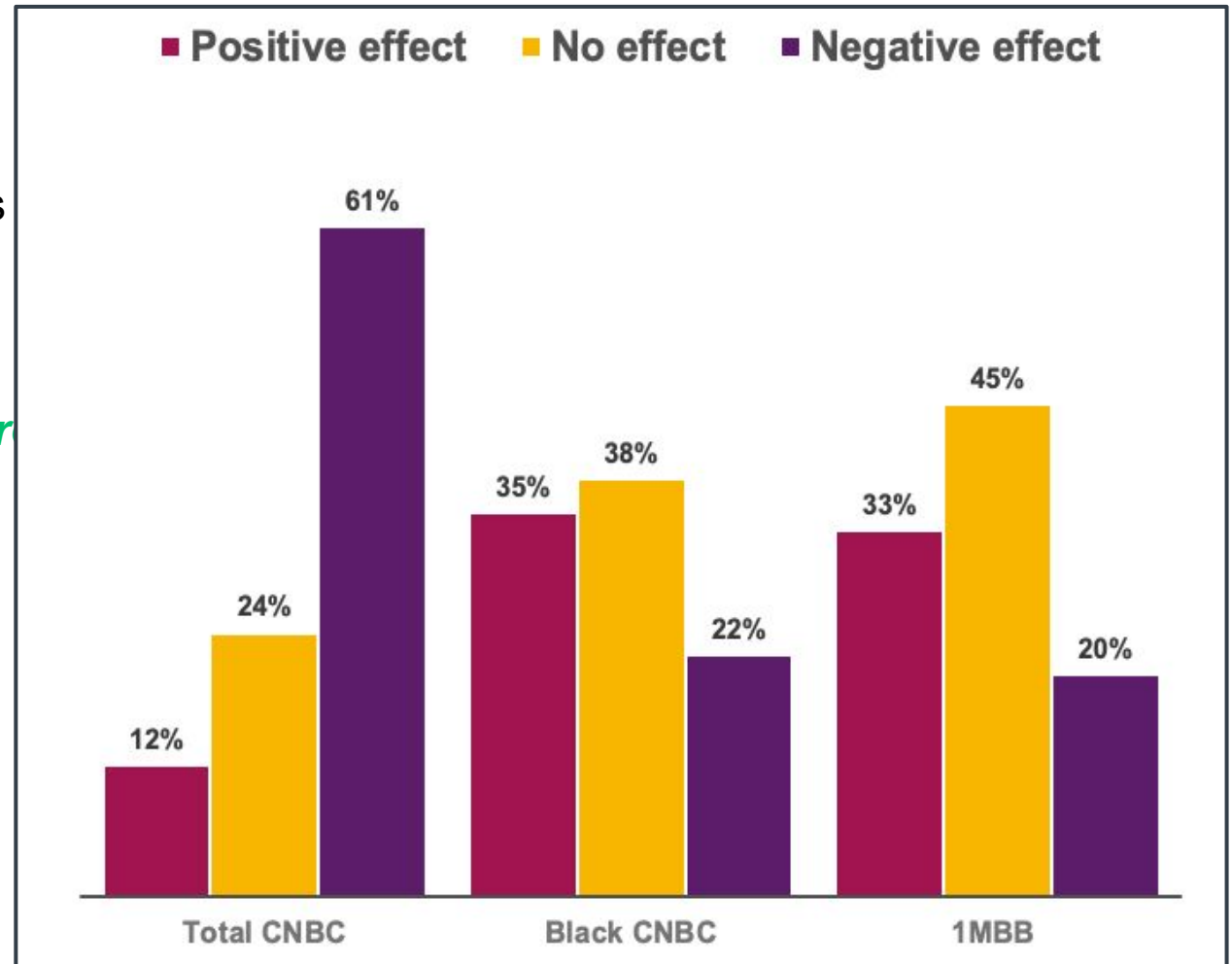
“In the next 12 months, do you expect changes in tax policy to have a negative effect, no effect, or a positive effect on your business?”

Many small business owners overall anticipate a negative effect of changes to tax policy.

- 61% fear negative effect overall
- 22% of Black SBOs and 20% of 1MBB participants share this view

While Black SBOs expect no effect, these SBOs are more optimistic.

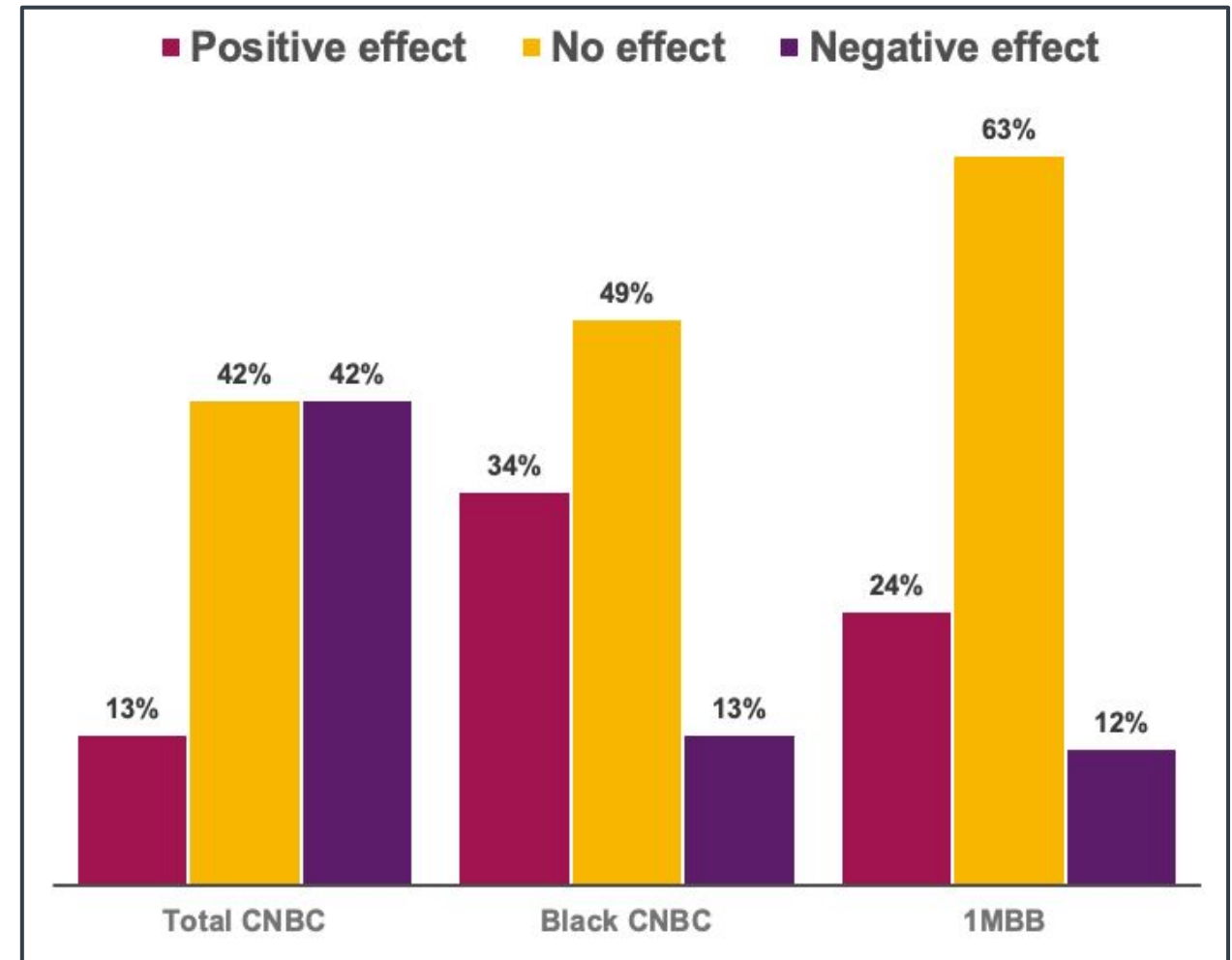
- 35% of Black SBOs nationwide expect positive effects.
- 33% of 1MBB participants share this expectation.



“In the next 12 months, do you expect changes in trade policy to have a negative effect, no effect, or a positive effect on your business?”

When it comes to trade policy, 63% of 1MBB participants think any changes would have no effect on their business.

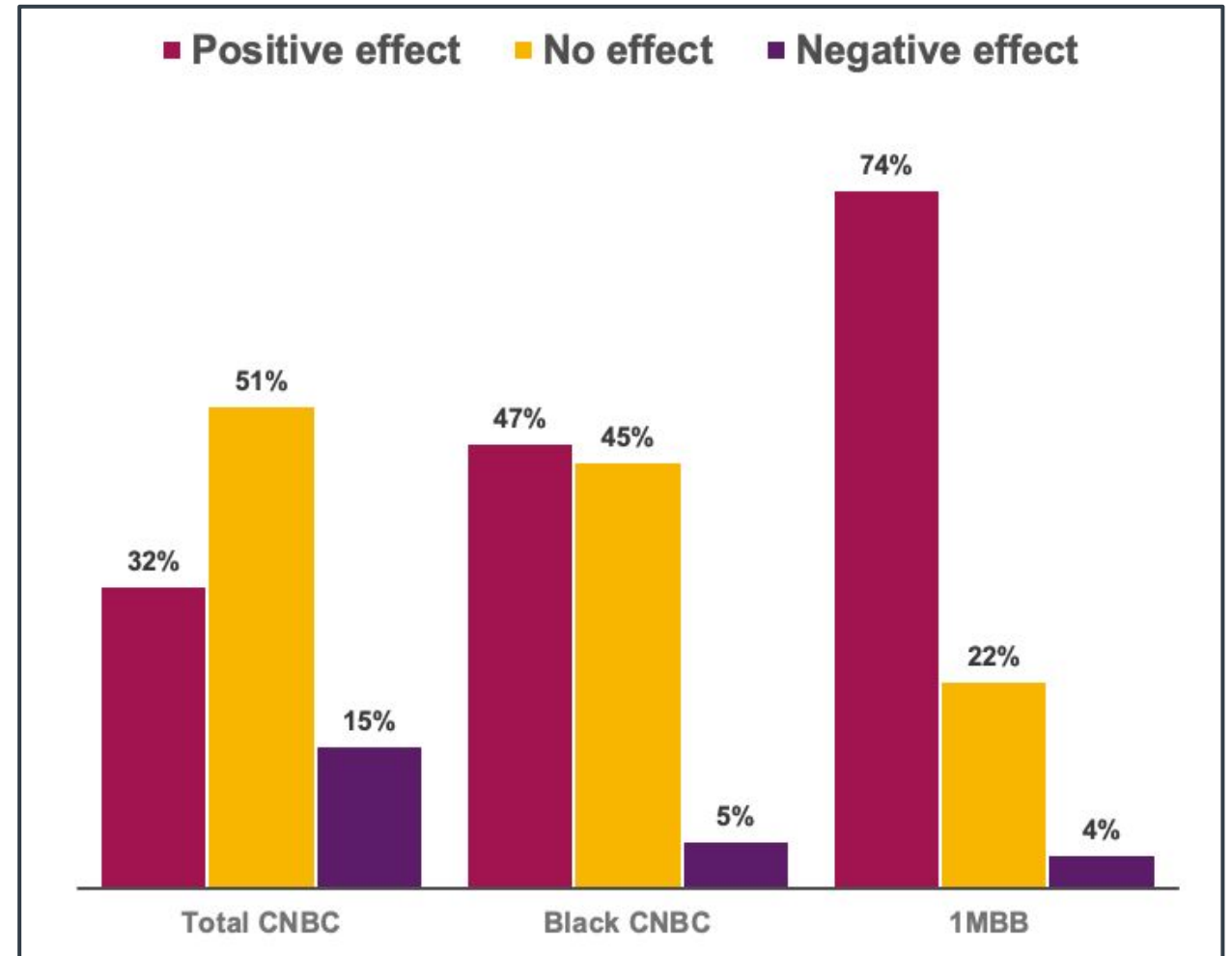
- For 34% of Black SBOs nationwide, trade changes are expected to have a positive effect, far greater shares than SBOs overall.
- 1MBB participants fall somewhere in between with 24% expecting positive impact.
- For 42% overall, trade changes would equate to a negative effect. Far fewer Black SBOs agree.



“In the next 12 months, do you expect changes in technological innovation to have a negative effect, no effect, or a positive effect on your business?”

Overall, most SBOs expect technological innovations to have no effect or a positive one.

- 74% of 1MBB participants have high hopes for positive effects of tech innovation.
- 47% of Black SBOs nationwide think it will be positive.
- Very few see technological innovation as being a negative for business.





“In the next 12 months, do you expect changes in immigration policy to have a negative effect, no effect, or a positive effect on your business?”

Majorities expect changes to immigration policy to have no impact on their business.

- 74% of 1MBB participants see immigration policy changes as having no effect; 53% of Black SBOs agree.
- 35% of Black SBOs nationwide think any changes would be positive.
- Single digit percentages of Black SBOs think there will be negative impact, yet 36% of SBOs overall anticipate negative effect.

