



Prepared by:  
**Jill S. Taylor**  
Center for Economic Development  
Maxine Goodman Levin College of Urban Affairs  
Cleveland State University

in Partnership with **JumpStart Inc.**

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**NORTHEAST OHIO  
ENTREPRENEURSHIP  
CONFIDENCE  
SURVEY:  
FIRST-YEAR  
FINDINGS**

**Center for  
Economic  
Development**





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## Executive Summary

The objective of the Entrepreneurship Confidence Survey is to assess the entrepreneurial climate and entrepreneurs' confidence in their ability to start and sustain a business in Northeast Ohio. The intention is to repeat the survey annually for the next several years to identify trends that might emerge.

The survey has been constructed to measure respondents' perceptions regarding several issues, including access to capital, workforce supply, information provided by educational institutions and business support organizations, networking opportunities, government responsiveness, attitudes toward entrepreneurs, adequacy of infrastructure, quality of life, and confidence in the regional economy and the ability to start or sustain a business in Northeast Ohio.

### Major Findings

Overall, the findings of the Entrepreneurship Confidence Survey were very positive. Survey respondents were confident in their ability to do business in Northeast Ohio and have positive perceptions about many of the resources available in the region. However, the survey also revealed some areas in which Northeast Ohio could improve in order to facilitate entrepreneurship.

When asked about their confidence in their ability to start or sustain a business in Northeast Ohio, most respondents were very optimistic. This optimism may be partly due to their positive perceptions of resources available in the region.

Respondents indicated that well-trained workers are available for all occupation categories addressed in the survey. These include management personnel, scientists and engineers, IT specialists, specialized workers, and unskilled workers. The findings indicate that the local workforce is meeting the needs of entrepreneurs.

The survey also reveals that infrastructure in Northeast Ohio is not perceived to be a problem for entrepreneurs. They reported high scores when asked if infrastructure meets their business needs.

Respondents generally gave favorable scores to quality of life in Northeast Ohio, agreeing that it helps their ability to develop a business in the region. Cost of living and commuting time are the most positive aspects of quality of life in Northeast Ohio, but cultural and recreational amenities are also perceived to be benefits of the region. Climate is the one factor that is perceived negatively — or at least does not help entrepreneurs to develop businesses in the region.

Attitudes toward entrepreneurs in Northeast Ohio are perceived to be very positive. Respondents believe that family and friends, the business community, and other entrepreneurs are supportive. Other entrepreneurs are thought to be especially receptive. In addition, respondents indicated that networking opportunities in their field are sufficient.

Responses were generally favorable with respect to whether colleges and universities and business support organizations are meeting the information needs of entrepreneurs. Scores

were at or above the midpoint for facilities/labs, training, faculty, students, and research. The one area in which colleges and universities are perceived as weak is technology transfer/licensing, where the mean score was slightly below the midpoint. This suggests that the region's educational institutions could be more effective in commercializing technology. Business support organizations appear to be meeting the needs of entrepreneurs, as responses indicate that they are providing useful knowledge and information.

The most negative perceptions of the entrepreneurial climate in Northeast Ohio were related to access to capital, government responsiveness, and the health of the regional economy.

Access to equity capital and debt financing is perceived to be somewhat difficult in Northeast Ohio. Family and friends was the only source of capital for which respondents agreed that access was relatively easy (above the midpoint on the scale). Results suggest that equity capital (both venture and angel) is in short supply in the region.

State, county, and city government were not perceived favorably. Respondents believe that government is unresponsive to entrepreneurial needs and does not provide sufficient services. Scores were well below the midpoint of the scale for all three levels of government.

Respondents had negative perceptions of the overall economic health of the region, although this seemed to have little impact on their confidence in being able to start or sustain a business in Northeast Ohio.

#### *Variation among Groups of Respondents*

Survey responses were analyzed to determine whether there were substantial differences among different groups of respondents. Groupings included entrepreneurial status, phase of entrepreneurial activity, age, and gender. Entrepreneurial status refers to whether the respondent started a business more than five years ago, started a business within the past five years, wants to start a business within the next year, or wants to start a business within the next five years. Phase of entrepreneurial activity determines whether the respondent is in the Imagining phase, Incubating phase, Demonstrating phase, Market Entry phase, or Growth and Sustainability phase.

In many cases there was little variation in responses among the different groups of respondents, however, there were some instances where perceptions diverged. These differences most often related to measures of access to capital and knowledge and information provided by colleges and universities.

Ease of access to capital was often perceived differently by the various respondent groups. Depending on their entrepreneurial status, respondents held significantly different perceptions regarding ease of access to all four sources of capital. Those who have yet to start a business are more optimistic about access to capital from all sources compared to those who have already started a business. When respondents are grouped by phase of entrepreneurial activity, it reveals significant differences in perceived ease of access to venture capital only. Interestingly, those in the Imagining and Incubating phases gave higher scores on this measure. There were also significant differences in perceptions based on the age of the respondent. For all sources of capital, those in the younger age groups (age 24 and under and ages 25 to 34) perceive access to be easier than those in the older age groups. Men and women differ in their perceptions regarding ease of access to capital from friends and family and angel investors, with men reporting greater access.

The perceived usefulness of knowledge and information provided by colleges and universities varied based on respondents' entrepreneurial status and phase of entrepreneurial activity. Those who have yet to start a business gave higher scores on all measures (facilities, training, faculty, students, research, and technology transfer) than those who have already started a business. As might be expected given this finding, those who were in the early phases (Imagining and Incubating) also reported higher scores regarding all measures of knowledge and information provided by colleges and universities.

### **Concluding Remarks**

Overall, the Entrepreneurship Confidence Survey revealed that individuals feel positive about resources available to entrepreneurs in Northeast Ohio. Perceptions were generally good regarding workforce supply, networking opportunities, attitudes toward entrepreneurs, adequacy of infrastructure, and quality of life. Respondents were also confident in their ability to start and sustain a business in the region. However, the survey does indicate that there is a need to increase access to capital and improve government services.

The fact that different groups of entrepreneurs often had similar perceptions of resources in Northeast Ohio may indicate that all are being served in a similar capacity. If this is the case, it might be reassuring to know that some groups are not being neglected by service providers or being denied access to particular resources. However, where there *are* significant differences in perceptions, further investigation is needed to understand the reason for these differences and to determine whether there are gaps in service or resource availability.

## I. Introduction

This report presents the findings of the Entrepreneurship Confidence Survey. The survey is a collaborative effort by JumpStart Inc.<sup>1</sup> and the Center for Economic Development at Cleveland State University's Maxine Goodman Levin College of Urban Affairs. The objective is to assess the entrepreneurial climate and entrepreneurs' confidence in their ability to start and sustain a business in Northeast Ohio. The intention is to repeat the survey annually for the next several years to identify trends that might emerge.

The Entrepreneurship Confidence Survey has been constructed to measure respondents' perceptions regarding several issues, including access to capital, workforce supply, information provided by educational institutions and business support organizations, networking opportunities, government responsiveness, attitudes toward entrepreneurs, adequacy of infrastructure, quality of life, and confidence in the regional economy and the ability to start or sustain a business in Northeast Ohio.<sup>2</sup> This report is organized according to these topics.<sup>3</sup>

### Methodology

The survey was conducted online using Survey Monkey, a web-based survey development tool. The data collection period extended from April 26 to June 2, 2006. To promote the survey, JumpStart included a link to the survey from its website for the duration of the survey collection period. In addition, JumpStart sent the survey link in its email newsletter, *JumpStart Connect*, on April 26, May 9, and May 23 of 2006. *JumpStart Connect* is a bi-weekly, permission-based newsletter focused on sharing information, ideas, and events targeted to the entrepreneurial community. It is sent to approximately 9,000 individuals who have opted-in to receive the communications. JumpStart also provided the link to other organizations that assist entrepreneurs in Northeast Ohio and requested that their constituents be invited to participate in the survey.<sup>4</sup>

*Data Analysis.* The survey instrument included a number of statements. Respondents were asked to indicate their level of agreement with a particular statement or how rarely or frequently a statement was true, based on a scale of one to five. This report presents the mean value of the total number of responses to each statement. Additional analyses reveals whether responses varied according to whether respondents have started a business or want to start a business (entrepreneurial status), phase of entrepreneurial activity, age, and gender. Analysis of variance (ANOVA) procedures were used to determine whether differences among groups were statistically significant.<sup>5</sup>

The survey instrument can be found in Appendix A.

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<sup>1</sup> JumpStart Inc. is a venture development nonprofit organization that advises, invests in, assists, and accelerates Northeast Ohio's early-stage ideas and companies ([www.jumpstartinc.org](http://www.jumpstartinc.org)).

<sup>2</sup> Although the survey targeted entrepreneurs, it is impossible to determine whether respondents had direct knowledge or experience on issues covered by the survey or whether answers were based on more general perceptions (e.g., we do not know whether respondents have actually secured or attempted to secure venture capital or only have perceptions about the ease or difficulty of doing so). However, respondents had the option of answering "not applicable" to all questions.

<sup>3</sup> This paper is being prepared in conjunction with a literature review of the factors that lead to increased entrepreneurial activity within a region.

<sup>4</sup> The size and characteristics of the survey sample cannot be determined, since it is unknown how many people read the email newsletter and how many people received the link to the survey via other sources.

<sup>5</sup> Differences were determined to be statistically significant where  $p < .05$ , meaning that the likelihood that the difference among groups was due to random chance is less than five percent.

## Characteristics of Survey Respondents

The survey analysis is based on 343 total responses. The web-based survey tool collected 418 responses, however, 75 records were excluded from the analysis due to non-response on most survey questions (they began the survey but failed to complete it beyond the first few questions).

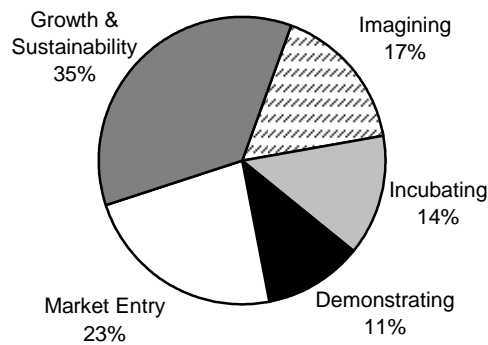
Based on self-identification, the majority of respondents were entrepreneurs — 78 percent of survey respondents (266 of 343) reported that they consider themselves to be entrepreneurs. Moreover, 55 percent (187 of 343) have started a business within the last five years. Among those who have not started a business in the last five years:

- 26% want to start a business within the next five years
- 22% have considered starting a business over the last five years, but are not considering it right now
- 21% started a business more than five years ago
- 12% want to start a business within the next year
- 10% have never considered starting a business

This confirms that the survey reached its intended audience, as the overwhelming majority of respondents have started a business, have recently considered starting a business, or are currently considering starting a business.

Entrepreneurial activity has several phases. The initial phase, Imagining, begins with linking a technology and a market opportunity. During this phase, the entrepreneur articulates the commercial concept and describes the market need. Incubating is the second phase. At this point, the focus is on defining product performance specifications, and then validating technical capabilities in the context of proposed performance specifications. Business plans are prepared and market research is conducted to validate aspects of the market opportunity. During the Demonstrating Phase, there is an attempt to generate technical proof within a more defined commercial context. Activities focus on product development and market acceptance with the goal of establishing evidence of the potential to increase sales and create economic returns. In the fourth phase, Market Entry, entrepreneurs enter the market to validate the commercial opportunity. They focus on product improvements, cost reductions, and product line enhancements. The final phase is Growth & Sustainability. Attention shifts from business plan execution to increasing market share and/or total revenue and profit in the context of a self-sustaining business.<sup>6</sup>

Survey respondents who have started a business or would like to in the next one to five years are in the following phases of entrepreneurial activity:



<sup>6</sup> Source: Ohio Department of Development, Technology Commercialization Framework.

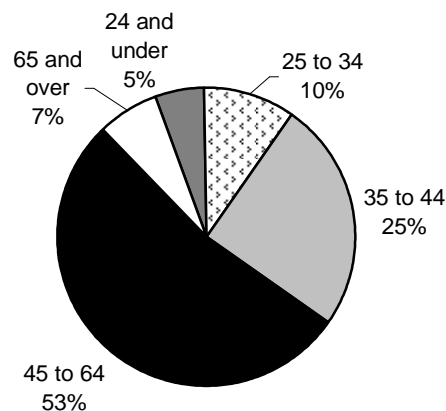
The new or prospective business of those who have started their own business or want to start their own business fall within a wide range of industries. The largest share (11.3%) is in business products and services, followed by computer hardware/software (7.5%). No other industries had a share larger than five percent.

Similarly, the industry in which respondents currently work is wide ranging. The largest share (12.3%) is again business products and services. A large number of respondents (24%) indicated that their new or prospective business falls within the “other” category. Those respondents listed businesses in business and marketing consulting, legal services, graphic design, janitorial services, and research, among others.

As might be expected, it appears that many entrepreneurs are developing businesses in the same industries with which they are currently affiliated. For example, 20 of the 35 individuals who reported their current industry to be business products and services also reported their new or prospective business to be in business products and services. Eighteen of the 19 respondents currently in computer hardware/software/services indicate that their new or prospective business is in the same industry. Eleven of the 14 respondents in the financial services industry have a new or prospective business in financial services.

Survey respondents were also asked the primary location of their business (based on zip code). There were 270 responses to this question that included a valid zip code. These zip codes fall within 16 different counties in Ohio; however, the vast majority of businesses are in either Cuyahoga (51.5%) or Summit County (21.9%). Mahoning County accounts for 7.0 percent, Lake County — 3.3 percent, and Portage County — 2.6 percent. All other counties had less than two percent.

More than half of respondents were between the ages of 45 and 64, and a fourth were between the ages of 35 and 44. Only a small number were age 24 and under or age 65 and over.<sup>7</sup>



<sup>7</sup> Respondents were asked to identify their age group, however, this was an optional question. Eighty-six percent of respondents provided an answer.

As might be expected, most respondents in the youngest age group (24 and under) reported to be in the earlier stages of business development (Imagining and Incubating), however, respondents in the other age groups reported being at various stages of business development process.

More than two-thirds (69.4%) of respondents were male; less than one-third (30.6%) were female.

The results of the survey are reported on the following pages. Each section begins with the actual questions used in the survey. The first graph in each section is based on data from all respondents. The latter graphs reveal variation in responses based on entrepreneurial status, phase of entrepreneurial activity, age, and gender.

## II. Capital

For small businesses, access to capital from the following sources in Northeast Ohio is easy:

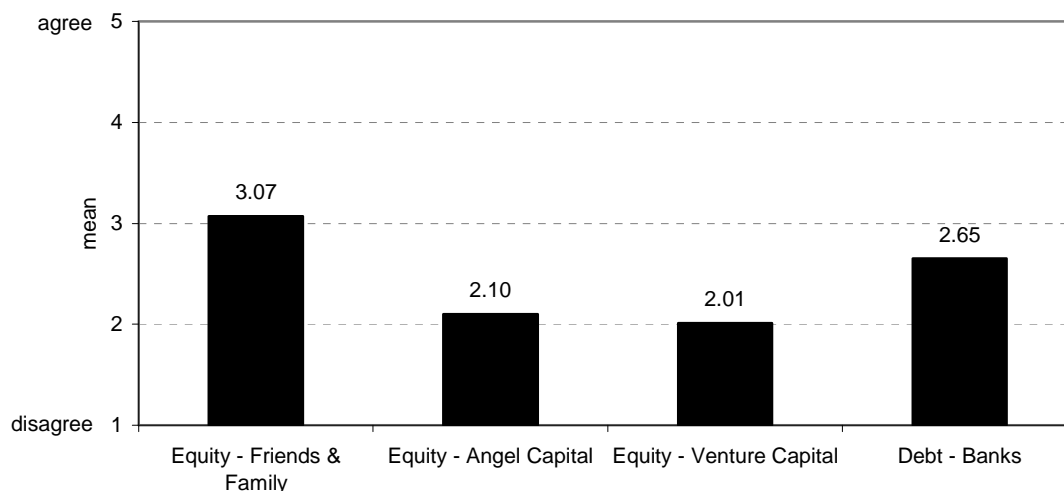
- Equity – Friends and Family
- Equity – Angel Capital
- Equity – Venture Capital
- Debt – Banks

1 = disagree 5 = agree

Respondents reported greater ease of access to capital from friends and family than from other sources. A large percentage (41.4%) indicated strong agreement (4 or 5 on the 5-point scale) with the statement that access to capital from friends and family is easy. Furthermore, friends and family is the only source of capital for which the mean response (3.07) exceeded the midpoint of the scale.

Scores for angel capital, venture capital, and debt financing were relatively low. Debt financing (mean=2.65) was considered to be easier to access than equity financing from either angel investors (mean=2.10) or venture capitalists (mean=2.01). Nearly half (49.2%) of respondents strongly disagreed (1 or 2 on the 5-point scale) with the statement that access to capital from banks (debt) is easy. The numbers are more dismal for angel and venture capital — 68% of respondents strongly disagreed that access to angel capital is easy, and 71% strongly disagreed that access to venture capital is easy. Thus, most respondents perceive access to capital to be difficult.

**Figure 1.**  
Perceptions of Access to Capital



How do perceptions of ease of access to capital vary among those who have started a business and those who would like to start a business? Figure 2 compares responses among those who started a business more than five years ago or in the last five years, and those who want to start a business within the next year or next five years.

Data reveal that those who have yet to start a business are more optimistic about access to capital from all sources compared to those who have already started a business. The mean response among those who have already started a business is particularly low with respect to ease of access to angel and venture capital. In addition, those who started a business in the past five years reported less ease of access to venture capital and debt financing than those who started more than five years ago.<sup>8</sup>

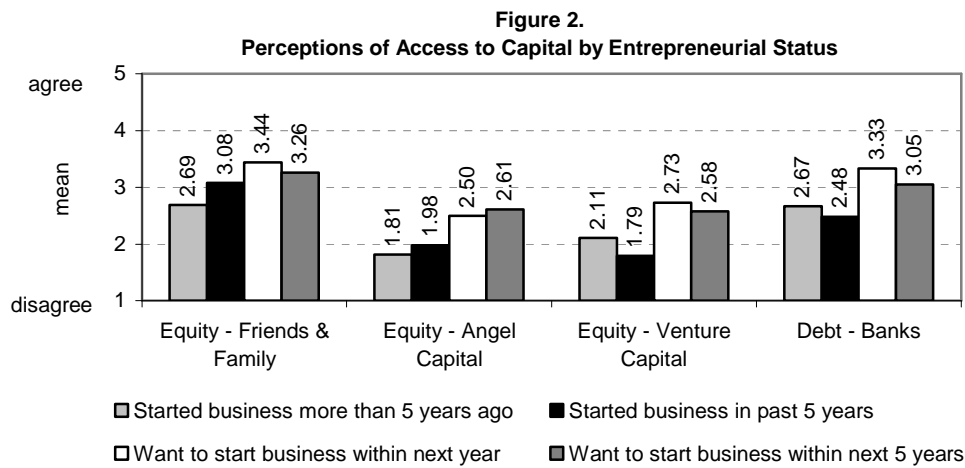
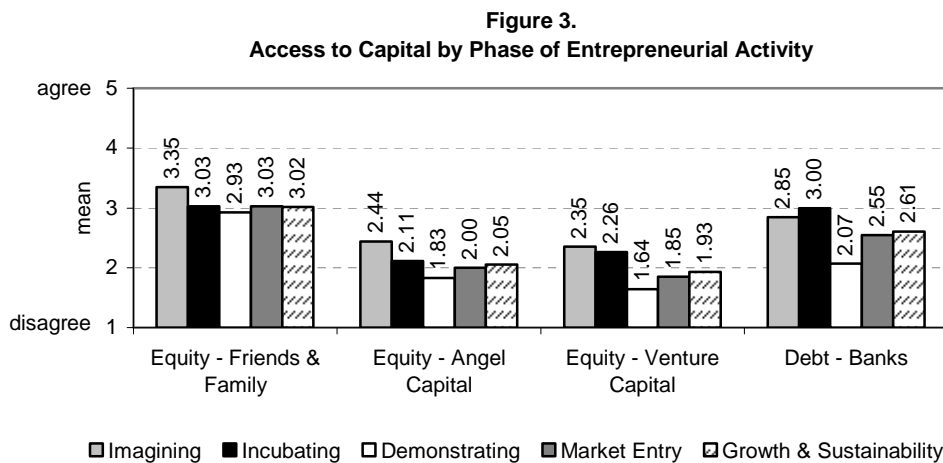
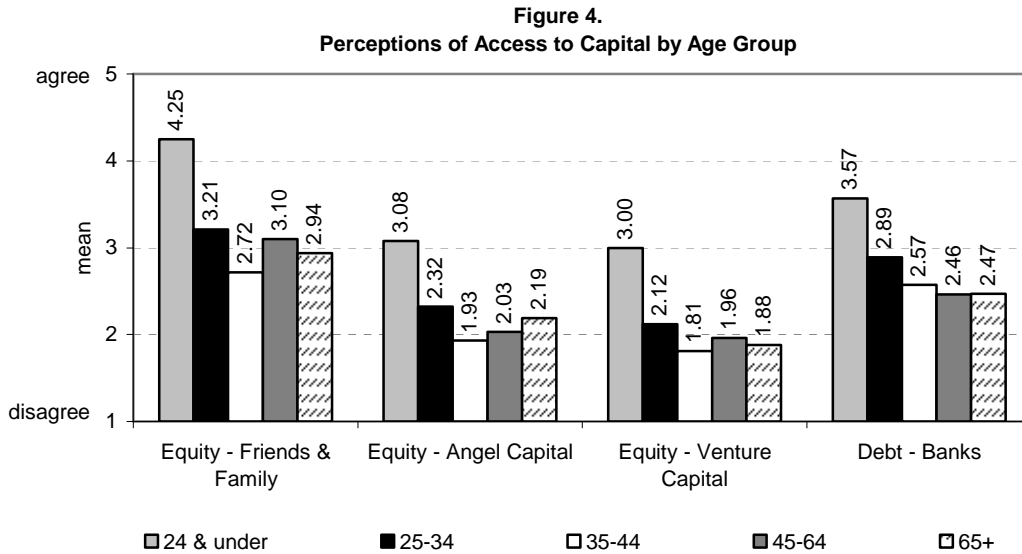


Figure 3 compares responses among those who are in different phases of entrepreneurial activity, ranging from Imagining to Growth & Sustainability. There is little variation in reported ease of access to capital from friends and family. For all sources of capital, ease of access was reported to be lowest among entrepreneurs in the Demonstrating phase. Venture capital is the only measure for which differences in perception are statistically significant.

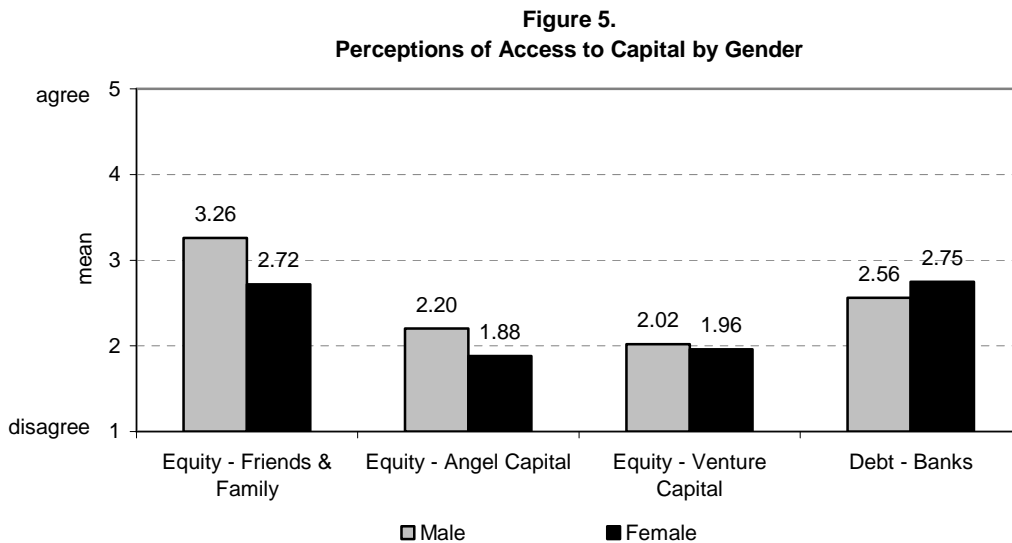


<sup>8</sup> There is a statistically significant difference ( $p < .05$ ) in the responses (based on entrepreneurial status) regarding access to angel capital, venture capital, and debt financing. There is no statistically significant difference regarding capital from friends and family.

Figure 4 reveals statistically significant variation in the perceived ease of access to capital based on the age of the respondent. Younger respondents (age 24 and under) appear to be more optimistic about available financing. They report easier access to capital from all sources, although this group accounts for just five percent of all respondents and most are in the earlier stages of business development. Entrepreneurs of all ages believe capital is most easily accessible from friends and family, followed by debt financing.



Perceptions of access to capital differ somewhat by gender. Differences are significant regarding capital from friends and family and angel investors, with men reporting easier access (Figure 5). Men and women reported had similar responses regarding ease of access to venture capital. Women reported easier access to debt financing. Differences are not significant for either venture capital or debt financing.



### III. Workforce

Well-trained workers in the following occupation categories in Northeast Ohio are in sufficient supply:

- Management Personnel
- Scientists and Engineers
- IT Specialists
- Skilled/Specialized Workers
- Unskilled Workers

1 = disagree 5 = agree

The supply of well-trained workers does not appear to be a problem for entrepreneurs in Northeast Ohio. Respondents indicate that well-trained workers are in sufficient supply for all occupation categories. In all but one case, more than half of respondents strongly agreed (4 or 5 on the 5-point scale) with the statement that well-trained workers are in sufficient supply. The one exception was skilled/specialized workers, however, the scores were still quite high (47% reported strong agreement). Almost two-thirds strongly agree that management personnel are readily available.

The mean well exceeds the midpoint of the scale for all occupational categories; however, respondents most strongly agreed that unskilled workers are in sufficient supply in Northeast Ohio (mean=4.4).

Figure 6.  
Perceptions of Workforce

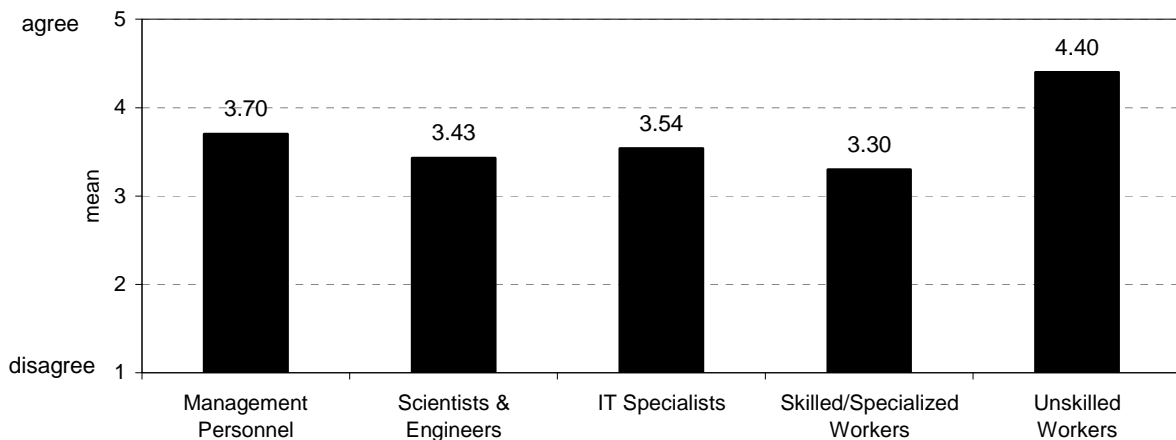


Figure 7 compares responses among those who have already started a business and those who want to start a business within the next one to five years. There is no statistically significant difference in responses among these groups, although those who would like to start a business within the next year gave slightly higher scores for all categories except skilled/specialized workers.

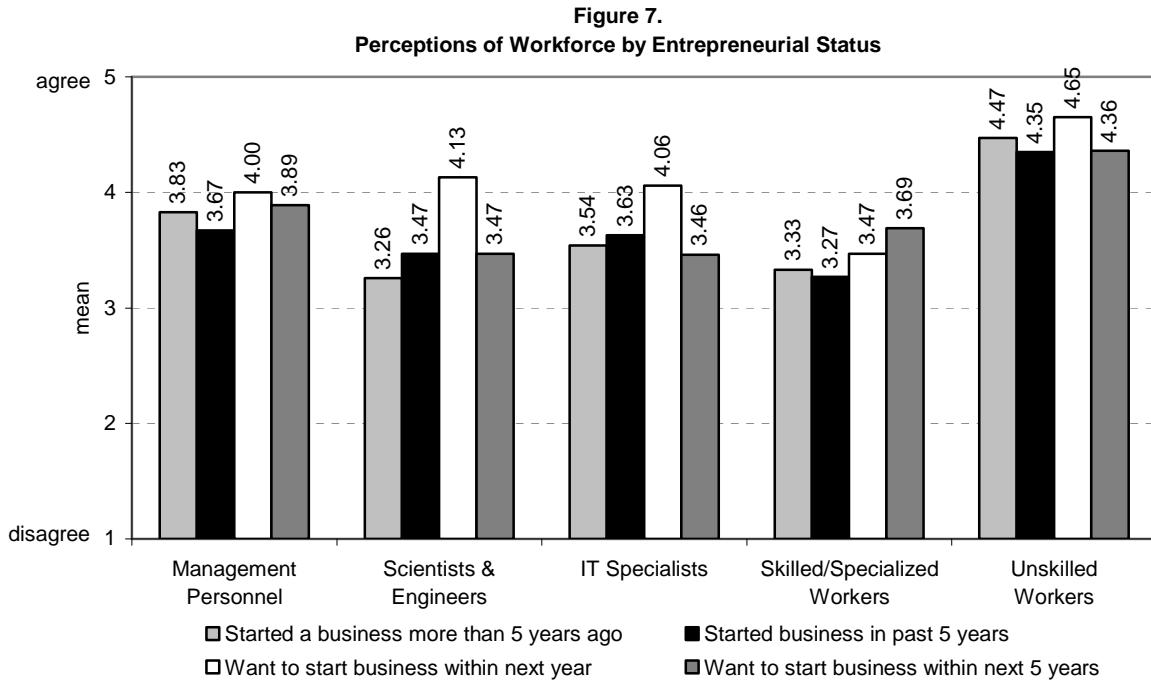
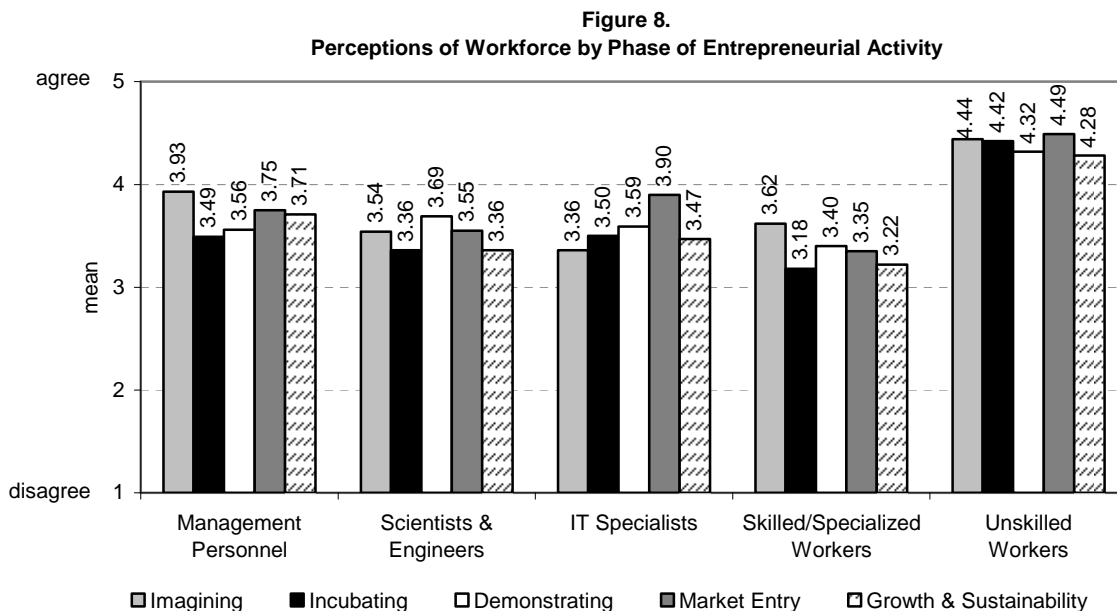


Figure 8 compares responses among those who are in different phases of entrepreneurial activity, ranging from Imagining to Growth & Sustainability. Again, the variation in responses is not statistically significant.



There is no statistically significant variation in the perceptions of the workforce among the various age groups (Figure 9). Respondents age 24 and under have slightly more optimistic views regarding the availability of scientists and engineers, IT specialists, and skilled/specialized workers, and respondents between the ages of 35 and 44 have slightly more pessimistic views regarding the availability of all job categories, but the differences are very minimal.

**Figure 9.**  
Perceptions of Workforce by Age Group

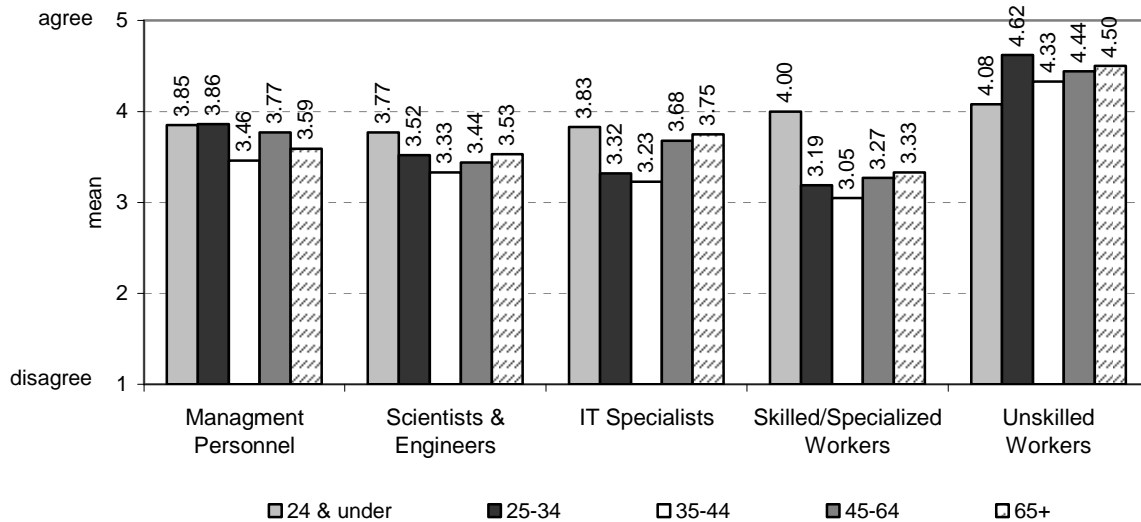
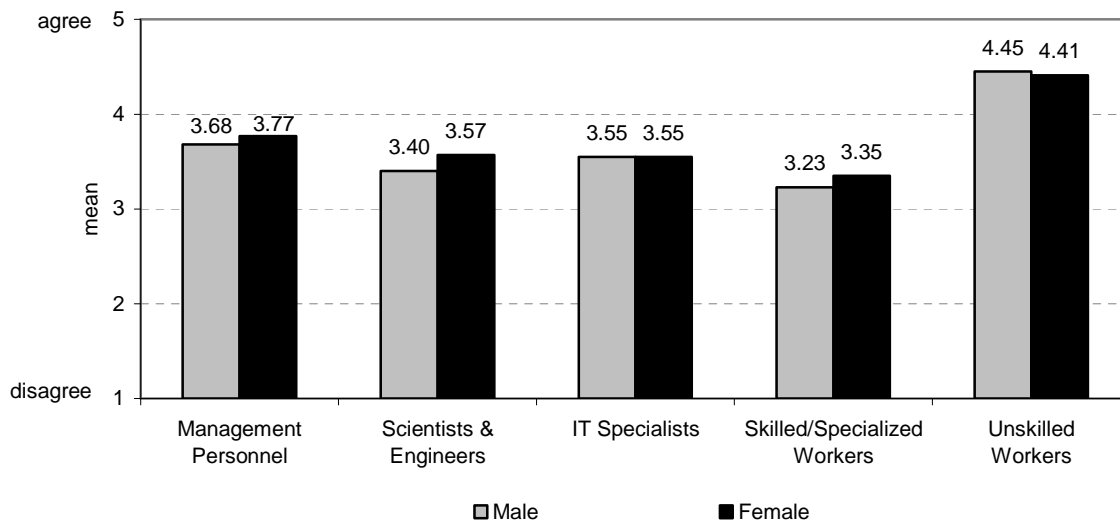


Figure 10 reveals that men and women reported very similar scores on their perceptions of the workforce.

**Figure 10.**  
Perceptions of Workforce by Gender



## IV. Information

Colleges and universities in Northeast Ohio provide knowledge and information that your business needs:

- Facilities/Labs
- Training
- Students
- Research/Information
- Technology Transfer/Licensing

1 = rarely      5 = frequently

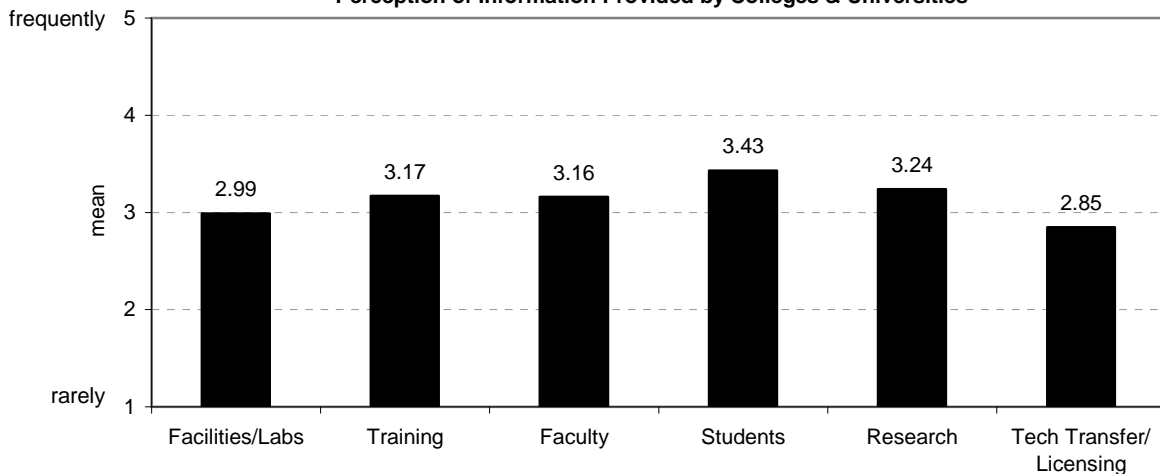
Northeast Ohio business support organizations provide knowledge and information that your business needs.

1 = rarely      5 = frequently

Overall, respondents appear to be fairly satisfied with knowledge and information provided by colleges and universities in Northeast Ohio. Between one-third and one-half of respondents reported that these institutions often or frequently (4 or 5 on the 5-point scale) provided knowledge and information their business needs. Tech transfer/licensing was the one area in which more respondents (41.8%) reported that institutions rarely (1 or 2 on the scale) provide needed information as opposed to often or frequently (35.3%) providing needed information.

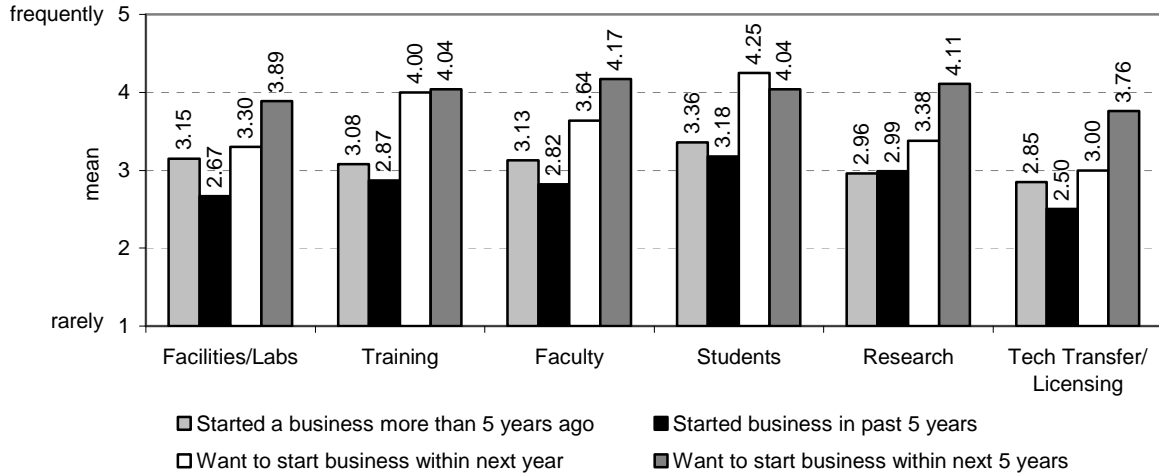
Mean scores were at or above the midpoint on most measures relating to knowledge and information provided by colleges and universities in Northeast Ohio. The score for technology transfer/licensing was slightly below the midpoint. The mean score was highest on the measure relating to students (3.43), indicating that respondents are satisfied with the quality of students coming from local educational institutions.

**Figure 11.**  
Perception of Information Provided by Colleges & Universities



Although satisfaction with colleges and universities is fairly high overall, Figure 12 reveals that the level of satisfaction varies among groups. Differences in perceptions are statistically significant for all measures. Respondents who have yet to start a business report considerably more satisfaction with colleges and universities than those who have already started a business. Across all measures, scores are lower for respondents who had started a business compared with those who would like to start a business.

**Figure 12.**  
Perceptions of Information Provided by Colleges & Universities  
by Entrepreneurial Status



Level of satisfaction with colleges and universities also varied by phase of entrepreneurial activity. Again, differences in perceptions were statistically significant for all measures. In most cases, respondents with businesses in the Imagining or Incubating phase reported higher scores than those in later stages of business development (Figure 13). This is consistent with the previous finding, as it would be expected that those hoping to start a business within the next year or five years would be in the early stages of business development. Those in the Growth & Sustainability phase reported the lowest scores on all measures. This may reflect varying needs and experiences with respect to knowledge and information provided by colleges and universities.

**Figure 13.**  
Perceptions of Information Provided by Colleges and Universities  
by Phase of Entrepreneurial Activity

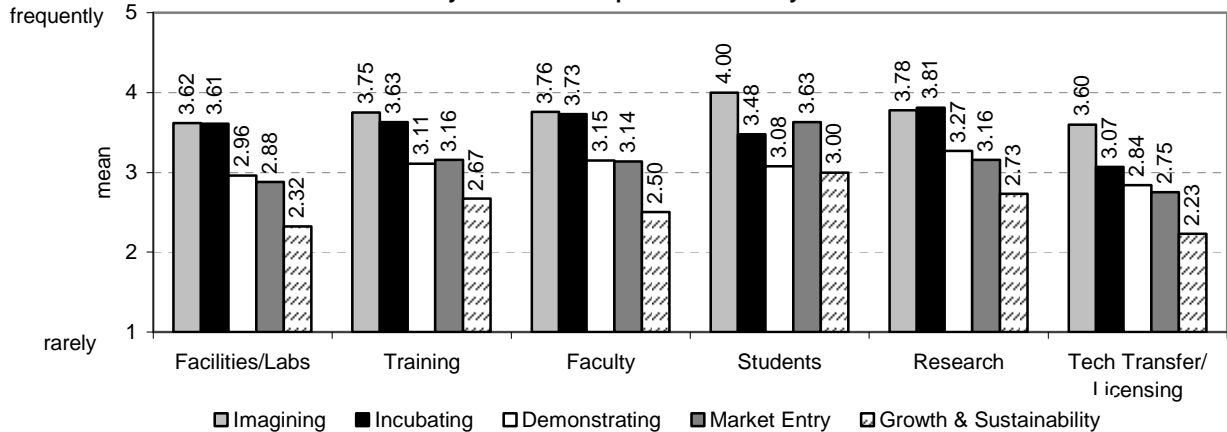
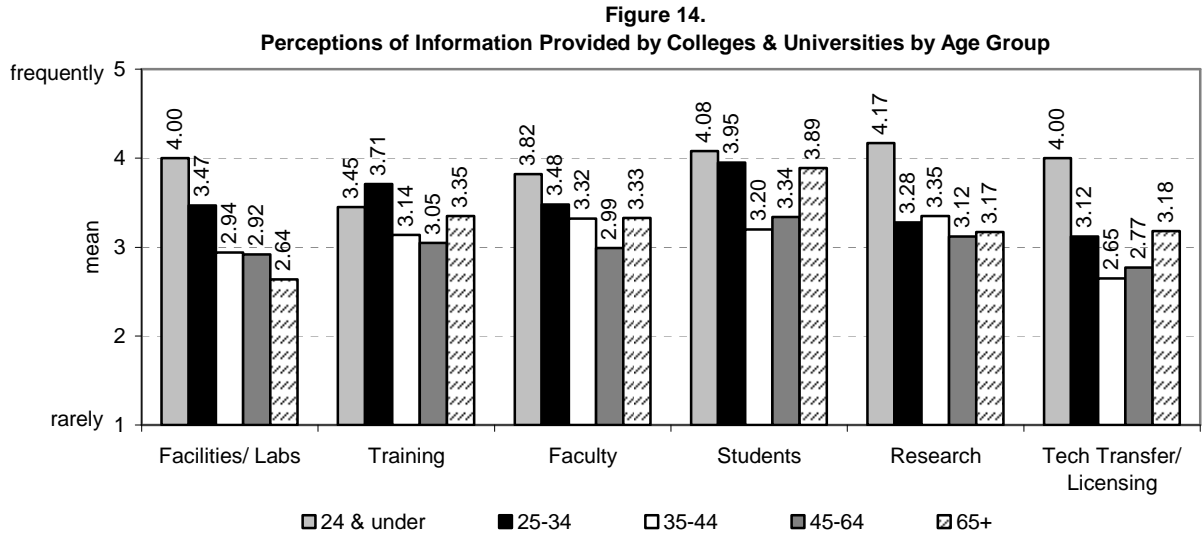


Figure 14 shows that respondents in the 35 to 44 and 45 to 64 age groups reported slightly lower scores on measures relating to information provided by colleges and universities (these two age groups represent 78% of respondents). There is only one measure — students — for which differences in perception are statistically significant.



As shown in Figure 15, women consistently gave higher scores on all measures relating to knowledge and information provided by colleges and universities in Northeast Ohio. In this case, students is the only measure for which perceptions are *not* statistically different.

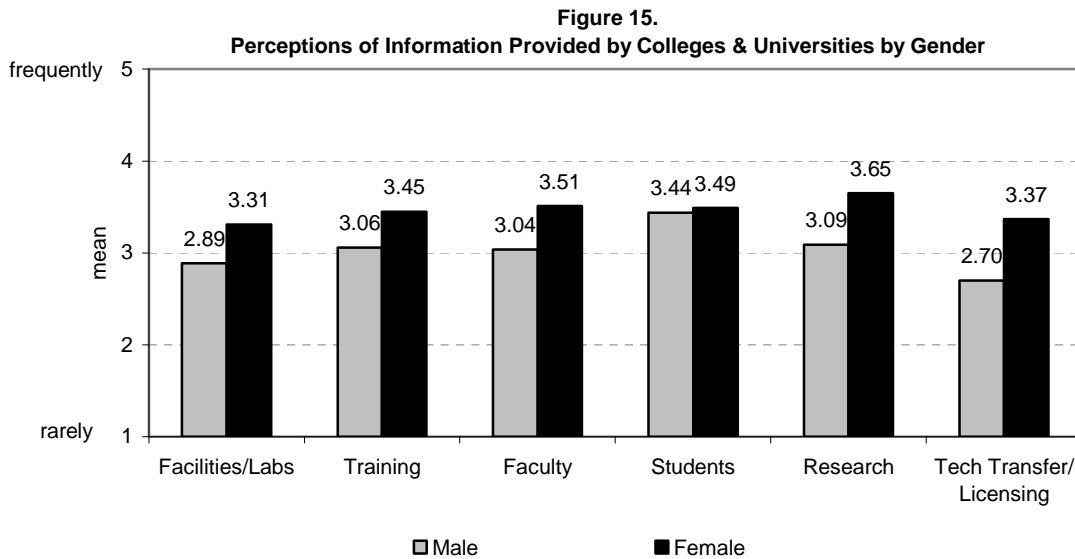


Figure 16 addresses the question of whether business support organizations provide knowledge and information that businesses need. Almost half (46.2%) report that these organizations often or frequently (4 or 5 on the 5-point scale) provide needed information, however, more than a quarter (27.6%) report that they rarely (1 or 2 on the scale) provide needed information.

The mean score for all respondents was relatively high (3.29) on this measure. The difference in perceptions based on entrepreneurial status of the respondents is statistically significant. Respondents who want to start a business within the next one to five years reported higher scores than those who have already started a business.

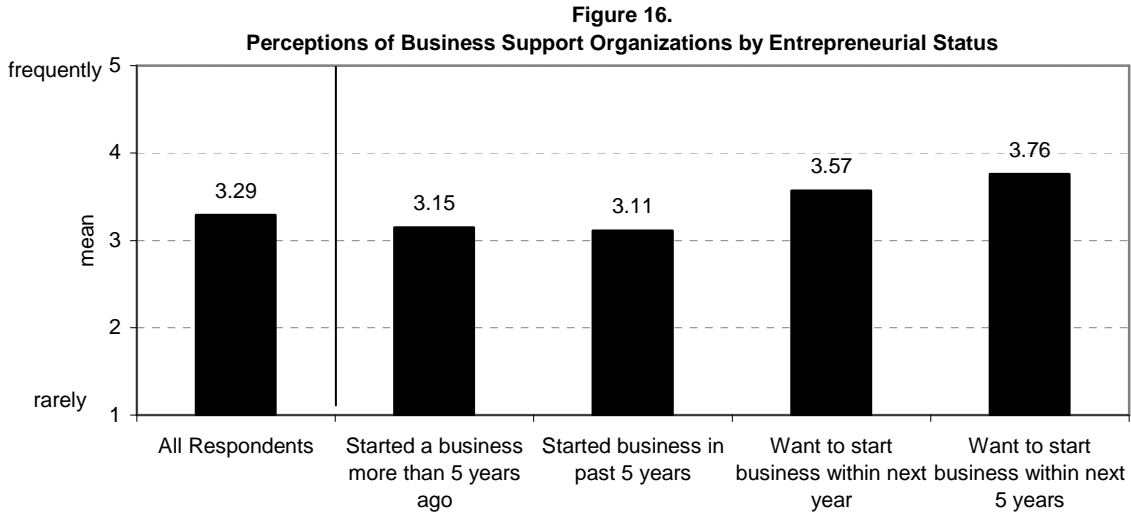
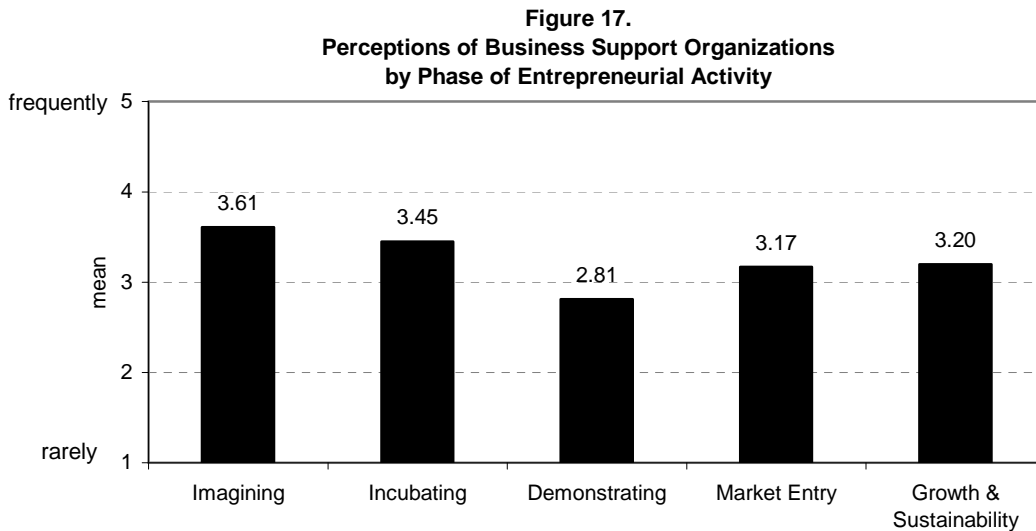
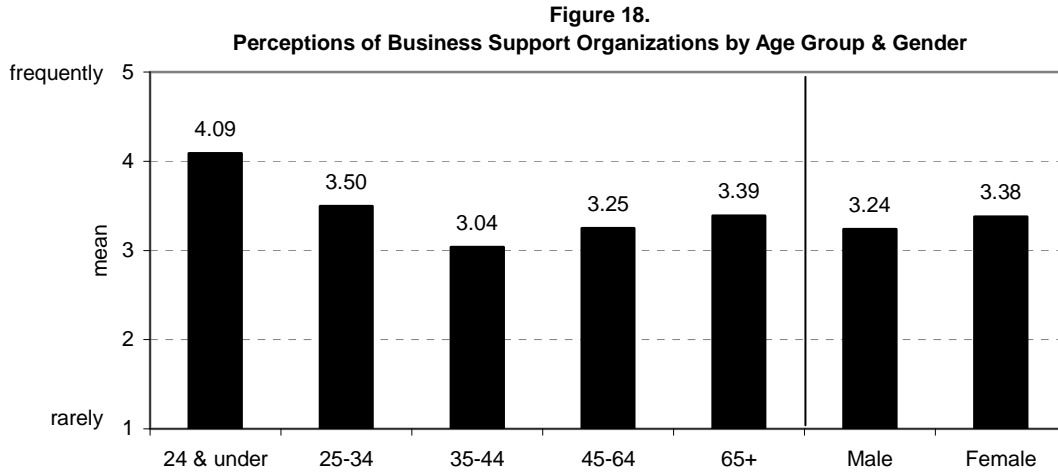


Figure 17 shows that respondents in the early stages of business development (Imagining and Incubating) report the highest scores for business support organizations, although these differences are not statistically significant. The slight differences may reflect a greater reliance on support services in the early stages, although scores are also fairly high for respondents in the Market Entry and Growth & Sustainability phases.



There is no statistically significant variation in perceptions of business support organizations by age or gender. Those age 24 and under report a higher score than respondents in other age groups, however, it should again be noted that this group includes only five percent of all respondents. The lowest score is reported by those age 35 to 44.



## V. Networking

Opportunities to meet and network with other people in your field are sufficient.

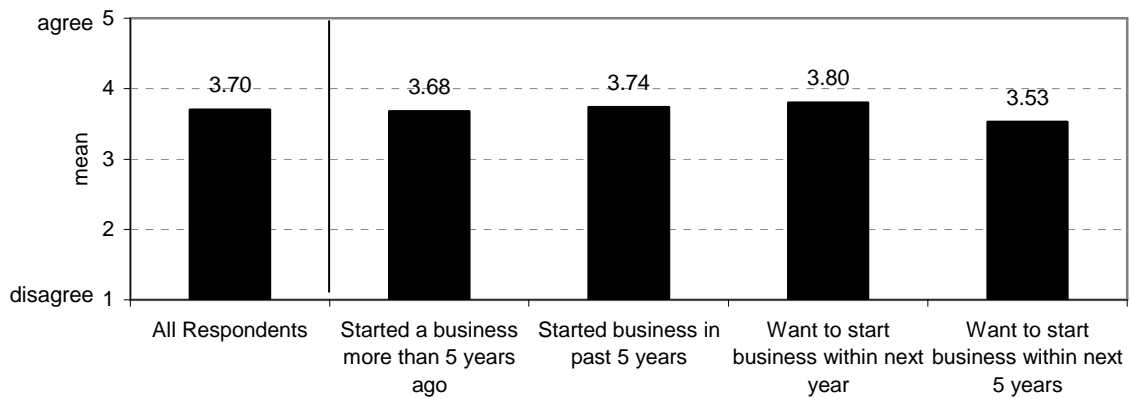
1 = disagree

5 = agree

All respondents indicated agreement that networking opportunities in their field are sufficient (mean=3.7). Nearly 60% reported strong agreement (4 or 5 on the 5-point scale) and a relatively small number (19%) disagreed (1 or 2 on the scale).

Furthermore, scores are high for all groups — those who have already started businesses and those who want to start a business in the next one to five years. This suggests that networking opportunities are open to future entrepreneurs and continue to be available to those in later stages of business development.

**Figure 19.**  
Perceptions of Networking Opportunities by Entrepreneurial Status



As shown in Figure 20, there is no significant variation among those at different stages of business development with regard to their perceptions of networking opportunities.

**Figure 20.**  
Perceptions of Networking Opportunities by Phase of Entrepreneurial Activity

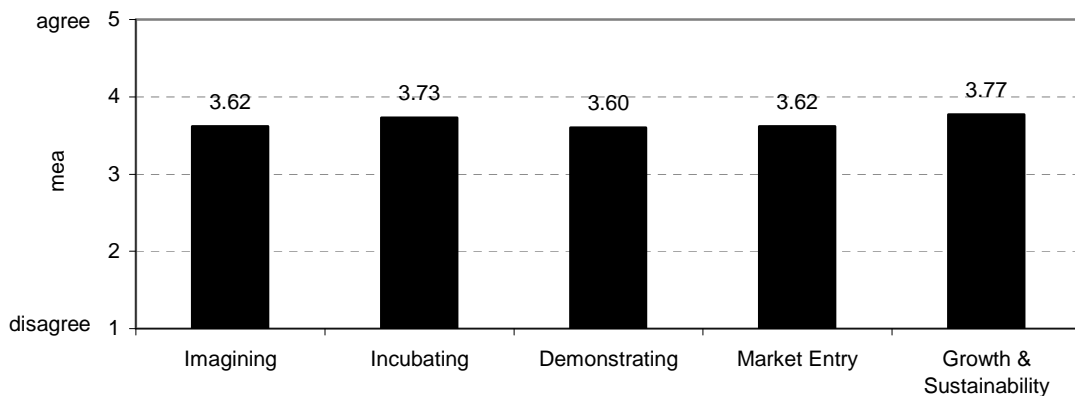
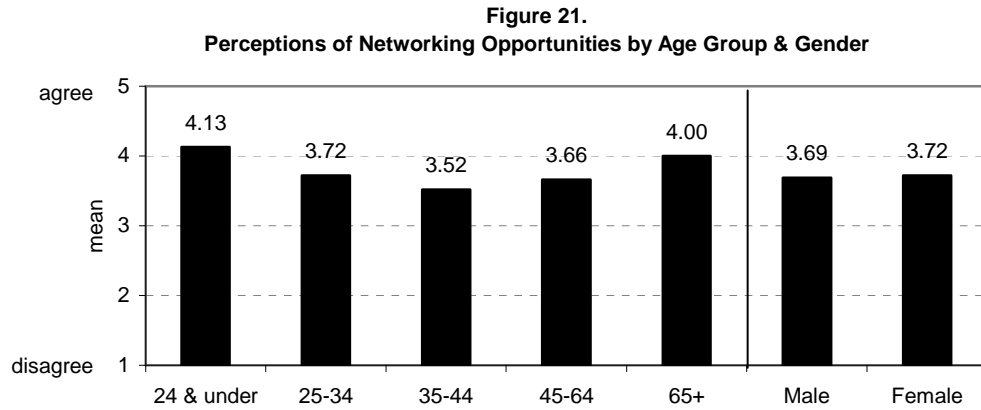


Figure 21 reveals that, although scores are high across all age groups, they are highest among those in the youngest and oldest age groups. Combined, these groups represent approximately ten percent of all respondents. There is no statistically significant difference in perceptions based on either age or gender.



## VI. Government

Governments' responsiveness to entrepreneurial needs and ability to provide relevant services is sufficient:

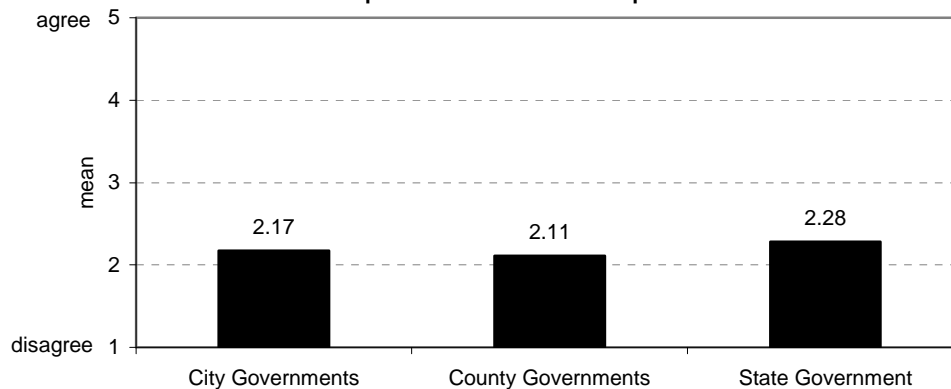
- City Governments
- County Governments
- State Government

1 = disagree 5 = agree

Respondents believe that governments are unresponsive to entrepreneurial needs and their ability to provide relevant services is insufficient. Scores were well below the midpoint of the scale for city, county, and state government.

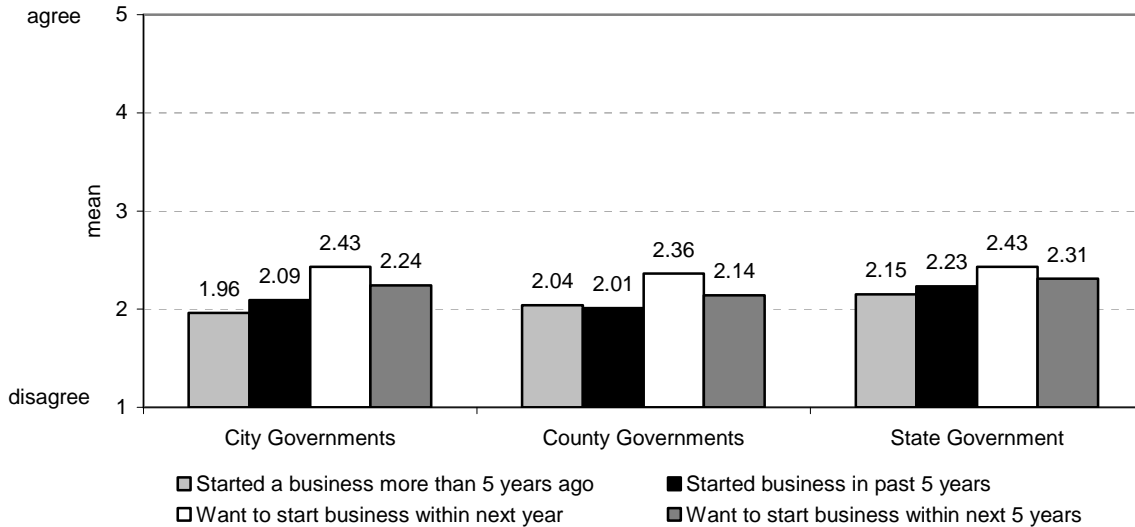
Approximately two-thirds of respondents strongly disagreed (1 or 2 on the 5-point scale) that city, county, and state governments are responsive to entrepreneurial needs and provide relevant services. Thus, government services are thought to be of limited value to entrepreneurs.

**Figure 22.**  
Perceptions of Government Responsiveness



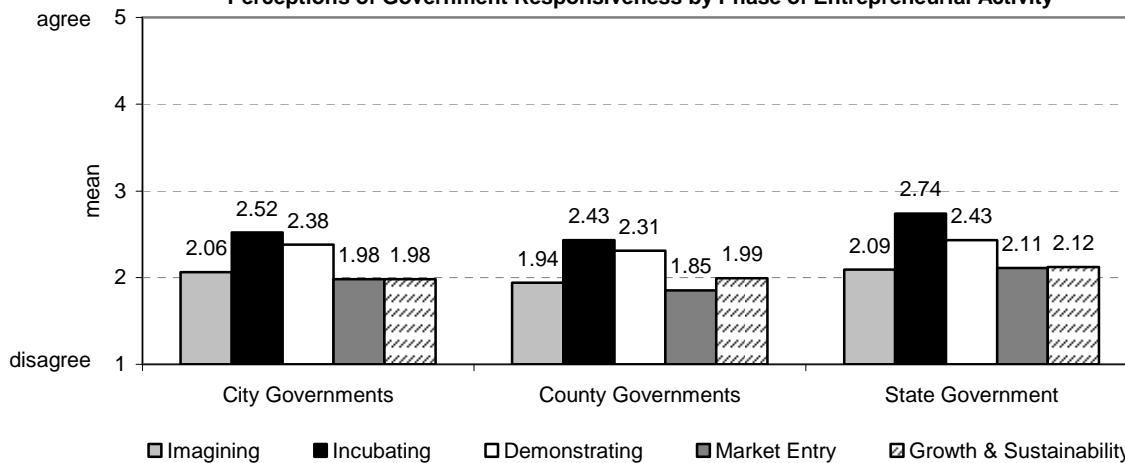
Although there is very little variation among groups, those who want to start a business within the next one to five years reported slightly higher scores than those who have already started a business (Figure 23).

**Figure 23.**  
Perceptions of Government Responsiveness by Entrepreneurial Status

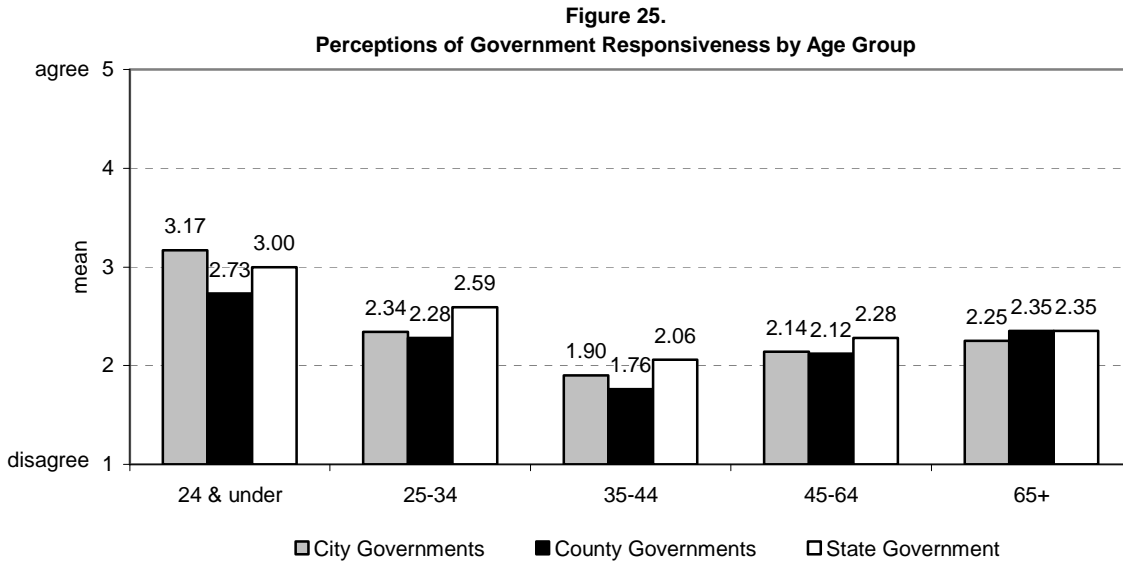


Again, there is no significant variation among respondents at different stages of business development, although scores are higher among those in the Incubating and Demonstrating phases.

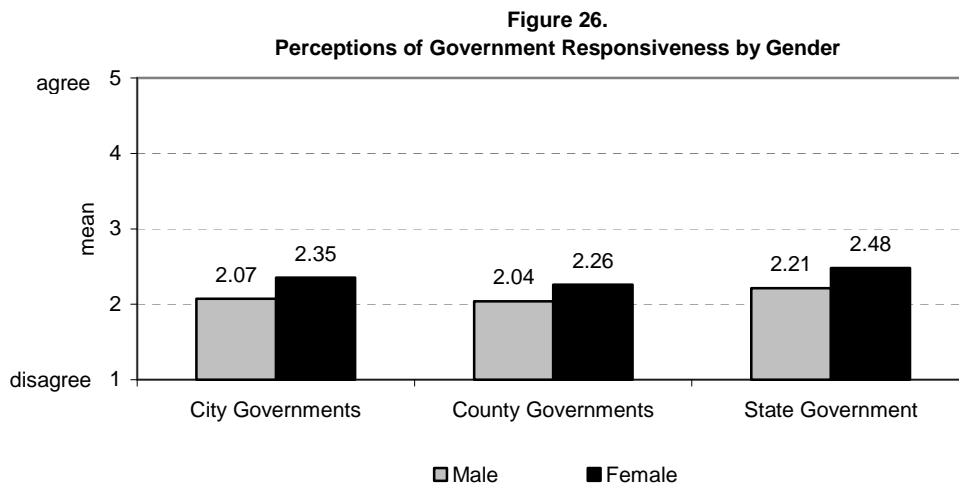
**Figure 24.**  
Perceptions of Government Responsiveness by Phase of Entrepreneurial Activity



Perceptions of governments' responsiveness to the needs of entrepreneurs are slightly higher among respondents age 24 and under and low among those between the ages 35 and 44. Differences in perceptions based on age group are statistically significant for city and county government, but not state government.



Although the differences are minimal, women consistently report higher scores on the measures of government responsiveness. This difference is not statistically significant.



## VII. Attitude

Attitude towards entrepreneurs among the following groups in Northeast Ohio is receptive:

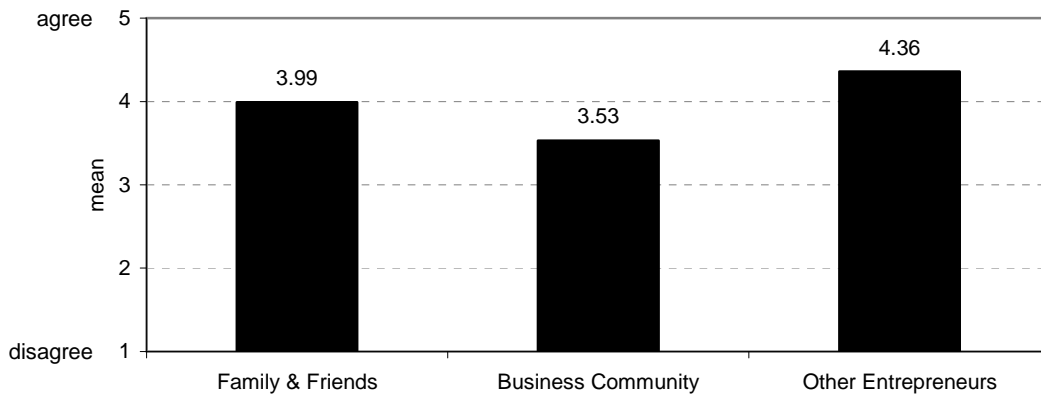
- Family and Friends
- Business Community
- Other Entrepreneurs

1 = disagree 5 = agree

Respondents strongly agreed with the statement that attitudes toward entrepreneurs in Northeast Ohio are receptive with means ranging from 3.53 for the business community and 4.36 for other entrepreneurs. The business community is perceived to be the least receptive of the three groups, however, scores are high for all.

Eighty-four percent of respondents strongly agreed (4 or 5 on the 5-point scale) that other entrepreneurs have receptive attitudes; 70 percent strongly agreed that family and friends are receptive, and 52 percent strongly agreed that the business community has a receptive attitude.

**Figure 27.**  
**Perceptions of Attitudes Toward Entrepreneurs**



There is no significant variation in responses among groups when comparing those who have started businesses to those who want to start a business. Figure 28 does reveal that respondents who started a business in the past five years report a slightly lower score on the receptive attitude of the business community, although it is still quite high.

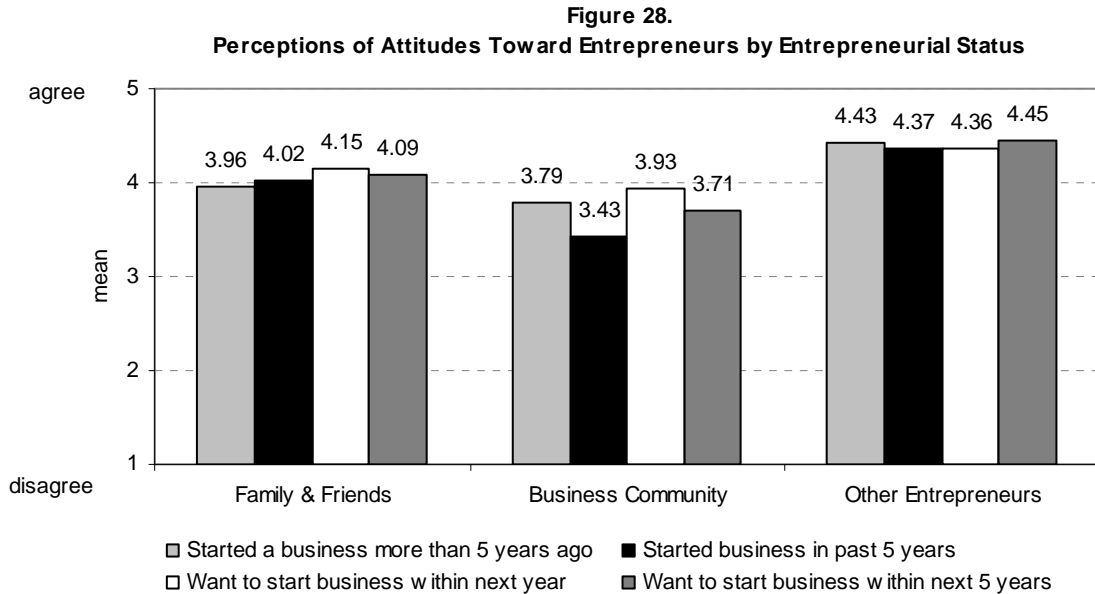
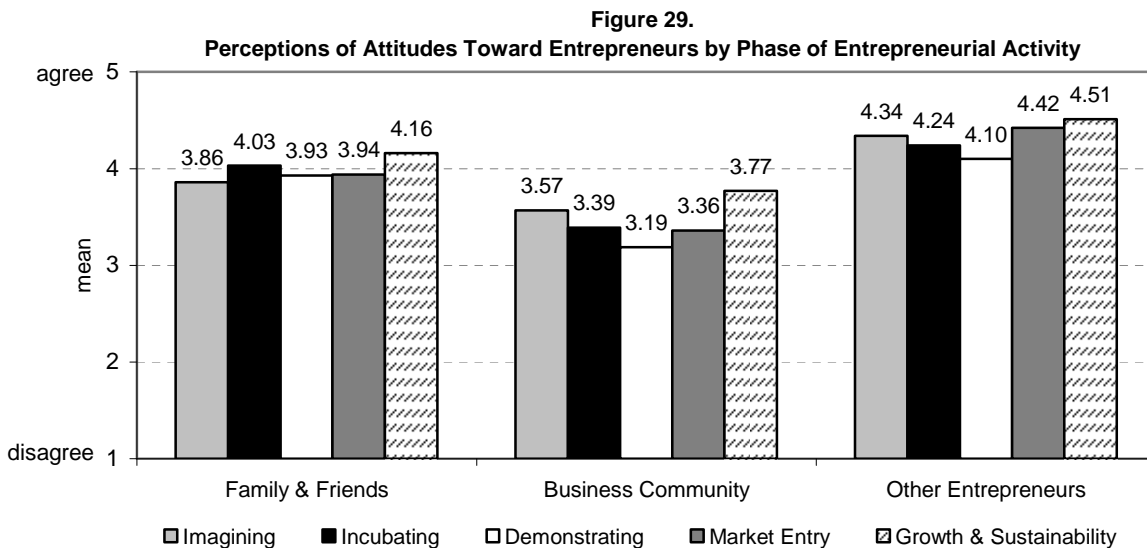
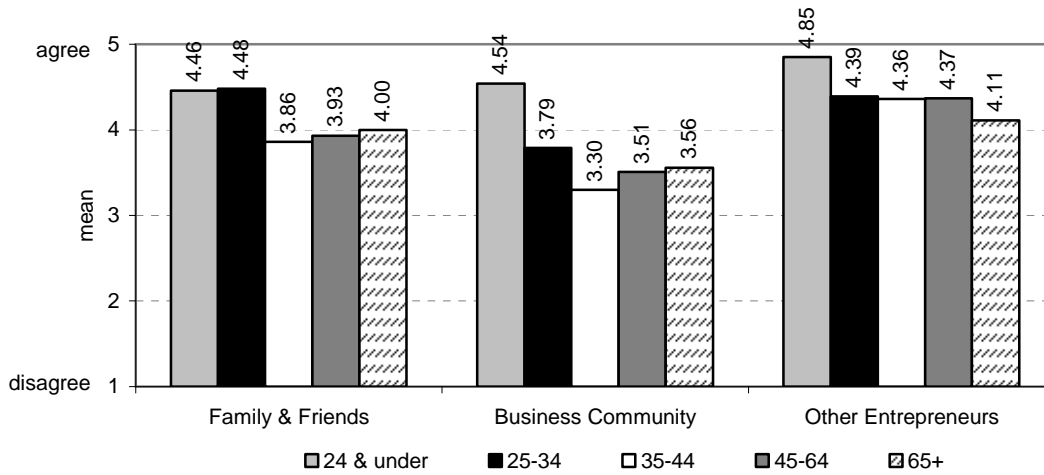


Figure 29 shows that scores are high among respondents at all stages of business development. Respondents in the Growth & Sustainability phase consistently report the highest scores, although the difference is not significant.



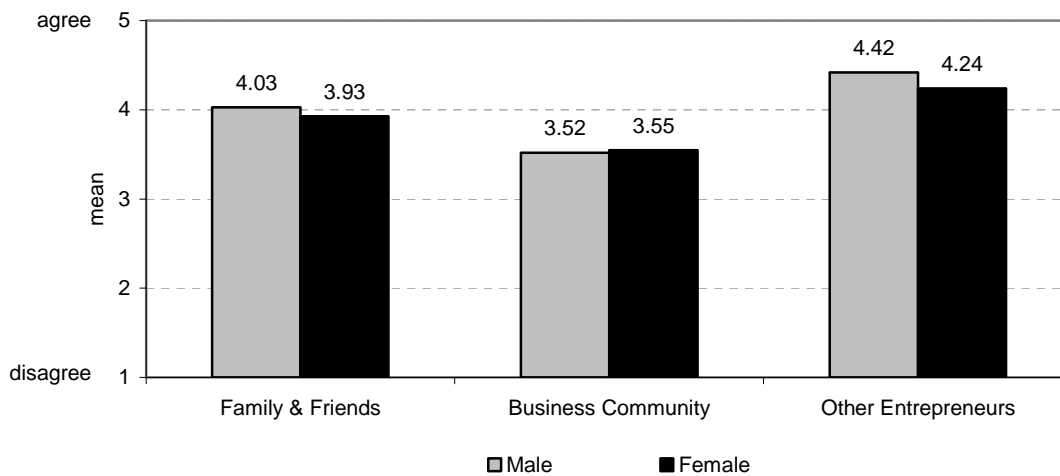
Again, respondents in the youngest age group generally report higher scores than individuals in the other age groups, although all groups believe attitudes toward entrepreneurs are positive (Figure 30). There is a statistically significant difference in perceptions of the business community, but not family and friends or other entrepreneurs.

**Figure 30.**  
Perceptions of Attitudes Toward Entrepreneurs by Age Group



Men and women report similar scores on measures relating to attitudes toward entrepreneurs (Figure 31).

**Figure 31.**  
Perceptions of Attitudes Toward Entrepreneurs by Gender



## VIII. Infrastructure

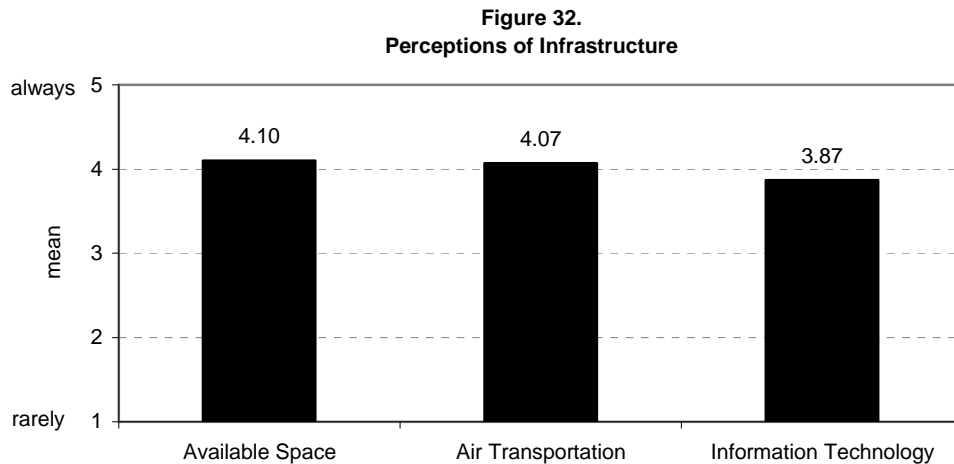
The following infrastructure in Northeast Ohio satisfies your business needs:

- Available Space
- Air Transportation
- Information Technology

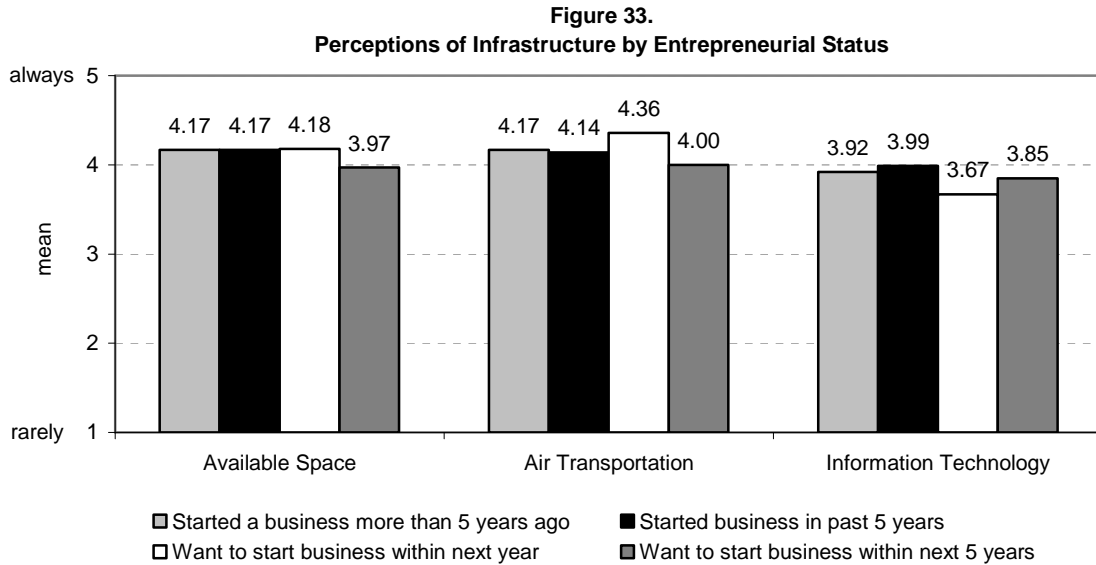
1 = rarely      5 = always

Respondents indicated satisfaction with infrastructure in Northeast Ohio. They reported high scores when asked if infrastructure meets their business needs. For each measure, more than 70 percent indicated strong agreement (4 or 5 on the 5-point scale).

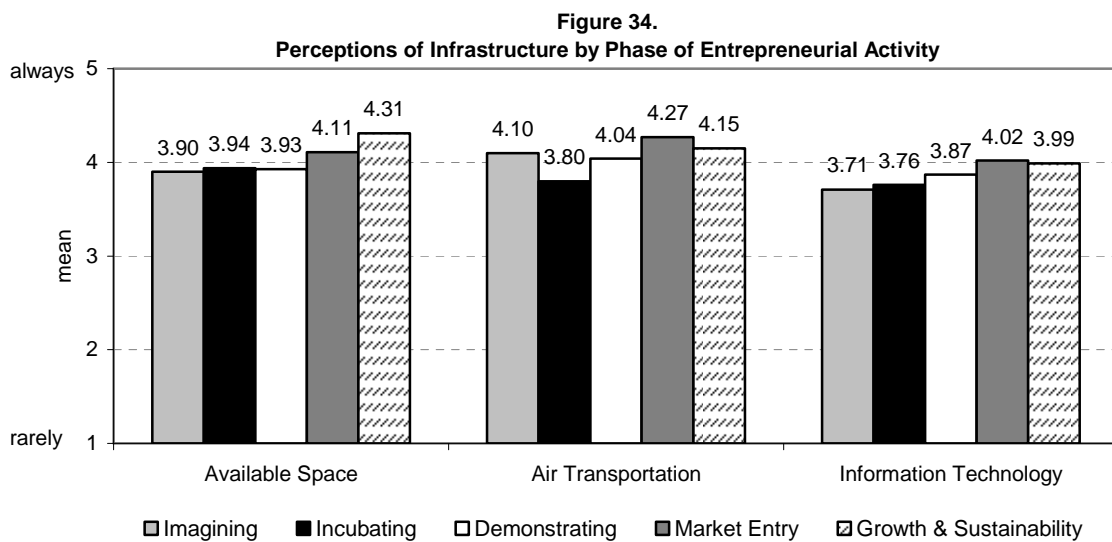
Figure 32 shows that mean scores were very high for available space, air transportation, and information technology. Information technology received the lowest score; however, it is still far above the midpoint of the scale.



Scores are fairly consistent regardless of whether respondents have already started their own business or hope to within the next one to five years, particularly with respect to available space (Figure 33). There is a statistically significant difference in how the groups viewed information technology infrastructure, with those who want to start a business in the next year issuing lower scores.

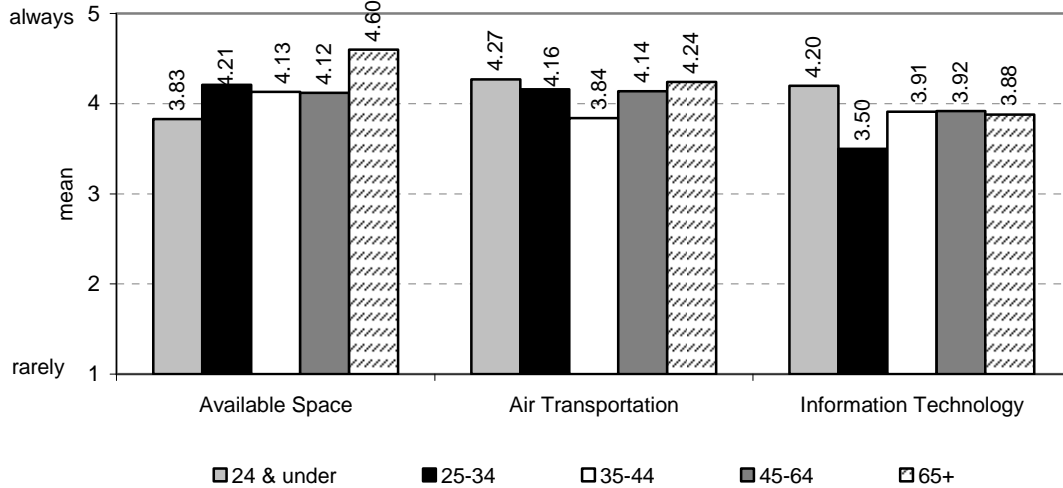


Scores are also consistent among respondents at different phases of business development, indicating that needs are being met regardless of where entrepreneurs are in the process (Figure 34).



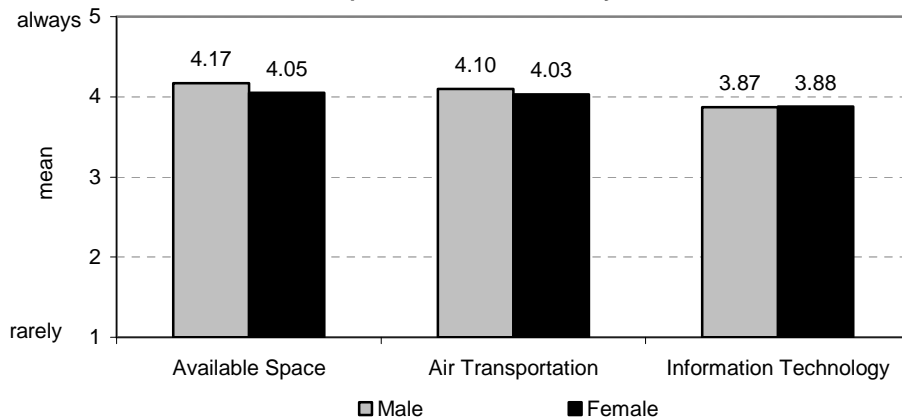
There is no significant variation in scores among respondents of different age groups (Figure 35), however, those age 24 and under reported slightly lower scores for available space while those age 65 and over gave the highest scores on this measure. In contrast, the younger respondents (age 24 and under) reported the highest scores for information technology infrastructure.

**Figure 35.**  
Perceptions of Infrastructure by Age Group



Men and women report nearly identical scores on the infrastructure measures.

**Figure 36.**  
Perceptions of Infrastructure by Gender



## IX. Quality of Life

The following quality of life items help my ability to develop a business in Northeast Ohio:

- Cost of Living
- Commuting Time
- Climate
- Cultural Amenities
- Recreational Amenities
- Diversity

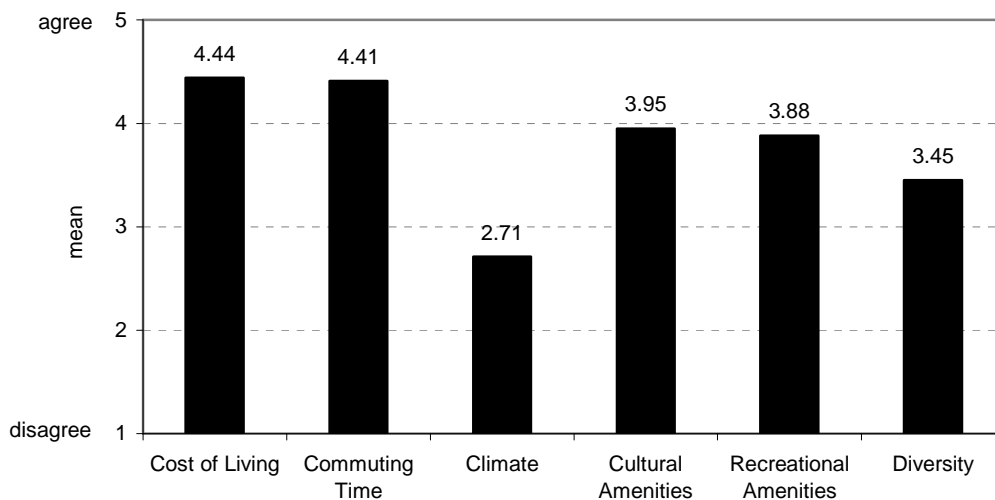
1 = disagree 5 = agree

Respondents generally gave favorable scores to quality of life in Northeast Ohio, agreeing that it helps their ability to develop a business in the region.

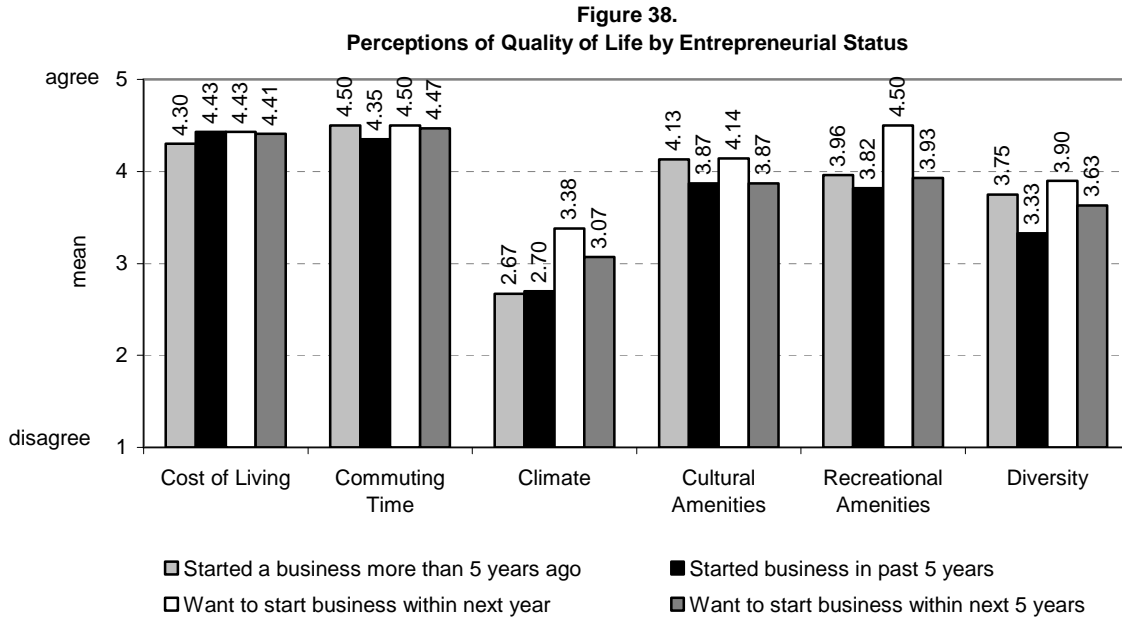
Cost of living and commuting time are the most positive aspects of quality of life in Northeast Ohio; the vast majority reported strong agreement (4 or 5 on the 5-point scale) with the statement (87% for cost of living and 85% for commuting time). This is reflected in the very high mean scores for these measures, as shown in Figure 37.

Cultural amenities and recreational amenities also have high mean scores (more than two-thirds of respondents strongly agreed that they help them in their ability to develop a business). Diversity ranks fairly high as well, with approximately half of respondents indicating strong agreement. The score for climate is far below the other measures of quality of life, meaning that it does not help them in their ability to develop a business in Northeast Ohio.

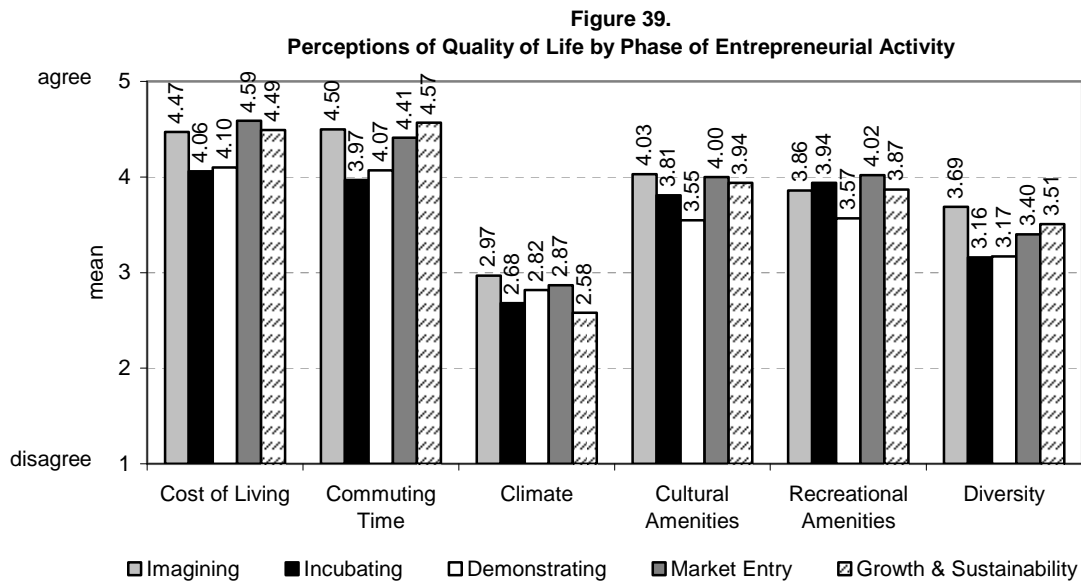
**Figure 37.**  
Perceptions of Quality of Life



There is very little variation among respondents on cost of living and commuting time, however, those who want to start a business within the next year gave slightly higher scores on all other measures of quality of life (Figure 38). Climate is the only measure for which differences among groups are statistically significant.

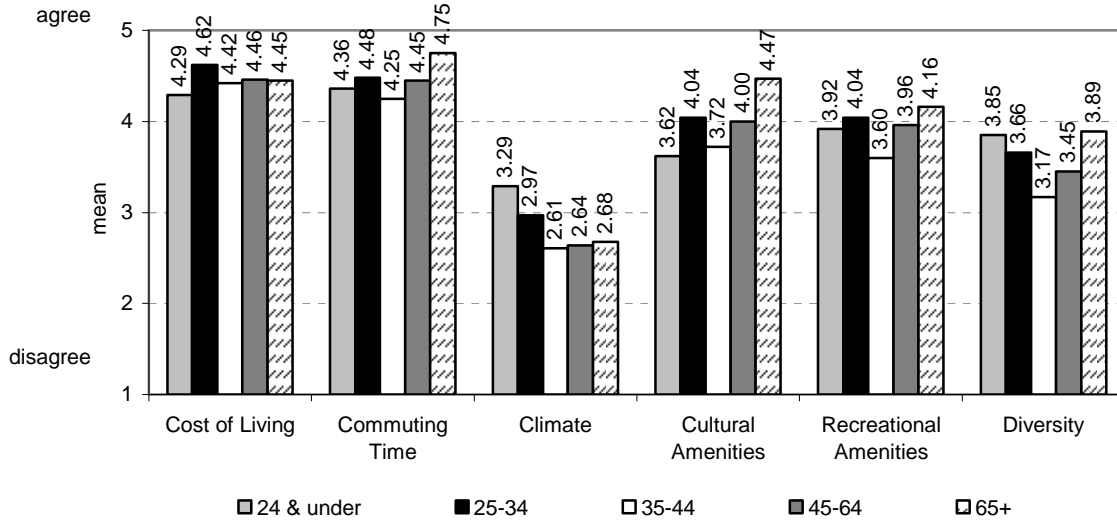


There is some variation in scores based on respondents' phase in the business development process, with those in the Demonstrating phase reporting slightly lower scores on most measures. There are statistically significant differences in perceptions of cost of living and commuting time, for which respondents in both the Incubating and Demonstrating phases gave lower scores.



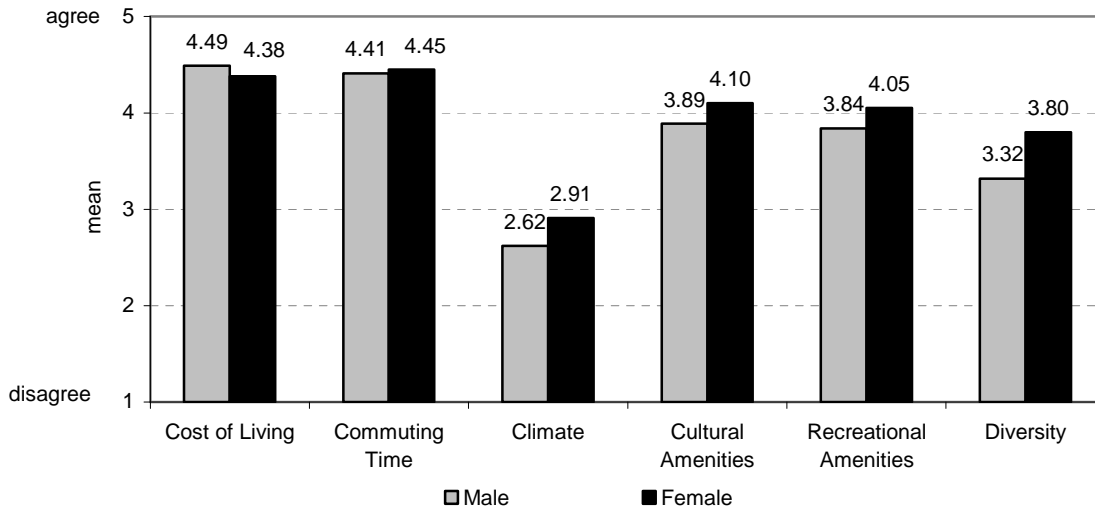
Scores are high across all age groups on all measures except for climate. There is significant variation in perceptions of cultural amenities, where respondents age 24 and under and age 35 to 44 reported slightly lower scores (Figure 40).

**Figure 40.**  
Perceptions of Quality of Life by Age Group



Although men and women report similarly on quality of life measures, women report slightly higher scores on all measures except cost of living (Figure 41). Diversity is the only measure for which the difference is statistically significant.

**Figure 41.**  
Perceptions of Quality of Life by Gender



## X. Confidence

The overall economic health of the region is strong.

1 = disagree 5 = agree

If you have started a business in the past five years, how confident are you that you will be able to sustain it?

1 = not confident 5 = very confident

If you would like to start a business, how confident are you that you will be able to within the next five years?

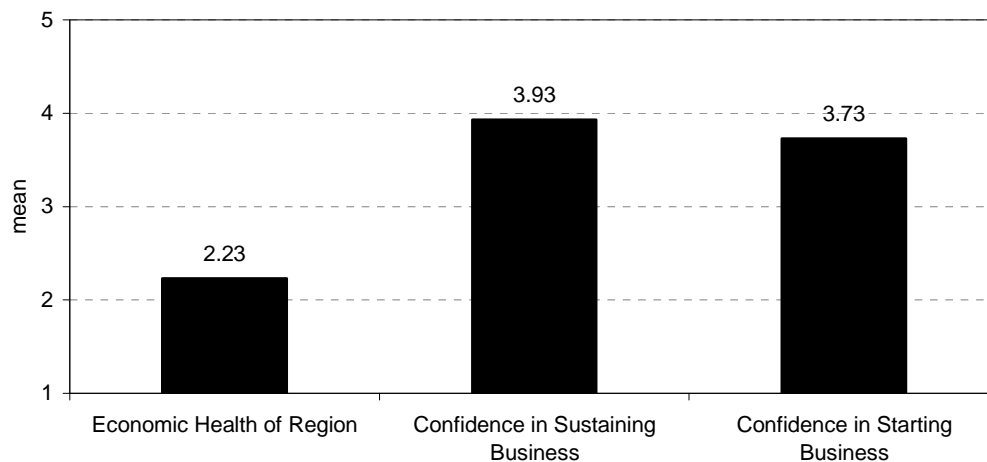
1 = not confident 5 = very confident

Respondents had negative perceptions about the economic health of the region. The mean score (2.23) falls well below the midpoint of the scale; 60 percent of respondents strongly disagreed (1 or 2 on the 5-point scale) with the statement that the economic health of the region is strong.

Despite this, most who have started a business are confident that they can sustain it (mean=3.93), and those who would like to start a business are confident in their ability to do so (mean=3.73). More than two-thirds (67.4%) were very confident (4 or 5 on the 5-point scale) they could sustain a business, and 62.2 percent were very confident they could start a business.

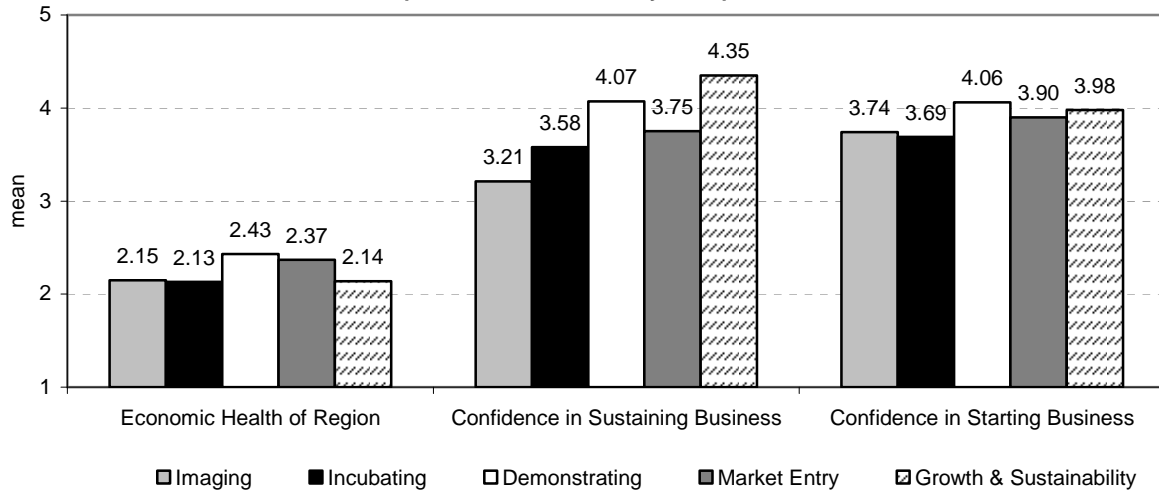
There is a large contrast between respondents' view of the regional economy and their confidence in being able to start or sustain a business in Northeast Ohio.

**Figure 42.**  
**Entrepreneurial Confidence**



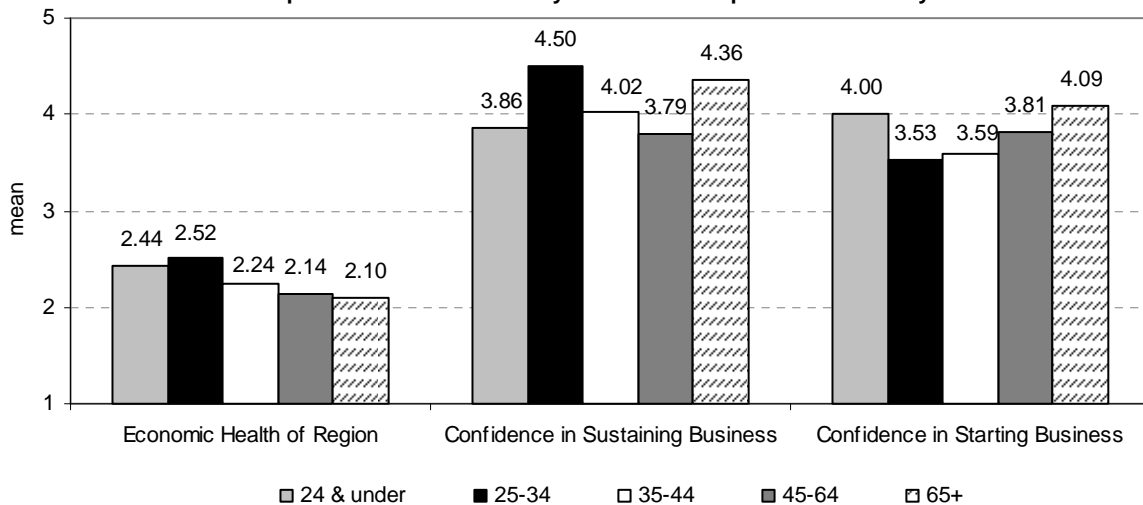
Perceptions of the economic health of the region do not vary substantially among respondents at different phases of business development. Although the score is slightly higher for those in the Demonstrating and Market Entry phases, scores for all groups are far below the midpoint of the scale. There is a significant difference regarding confidence to sustain a business, and as would be expected, respondents in the most advanced stage of business development (Growth & Sustainability) report the highest level of confidence. There is little variation among respondents when asked about their confidence in their ability to start a business.

**Figure 43.**  
**Entrepreneurial Confidence by Entrepreneurial Status**



Mean scores remain fairly consistent across the different age groups. Respondents age 24 and under and ages 25 to 34 reported slightly higher scores regarding the economic health of the region, but the differences are not significant. Respondents age 25 to 34 and age 65 and over reported higher scores regarding their confidence to sustain a business, and persons age 24 and under and 65 and over reported slightly higher scores regarding their confidence in being able to start a business. Again, these differences are not statistically significant.

**Figure 44.**  
**Entrepreneurial Confidence by Phase of Entrepreneurial Activity**



## XI. Respondent Comments

In the section of the survey that addressed the adequacy of infrastructure in Northeast Ohio, respondents were also asked if there were other infrastructure-related factors that affect their business, either positively or negatively. This was the only opportunity for respondents to make open-ended remarks, and therefore the data includes comments on a wide range of topics and is not limited to infrastructure. For that reason, those responses are discussed here. It should be noted that only a small number of respondents (16%) made any remarks. This section is intended to capture some of this information; however, it should not be assumed that these comments reflect the opinions of all — or even a majority — of respondents.

Among the comments that *were* related to infrastructure, several related to the availability of space to do business. Some respondents were happy with the availability of reasonably priced space, while others commented on the need for multi-tenant space or meeting space for entrepreneurs. A few respondents made favorable comments with respect to the telecommunications infrastructure in the region. Transportation infrastructure was viewed as positive by some (easy access to many other cities), but one respondent expressed the need for more international travel options, and another commented on the need for a more complete rapid transit network.

Several comments related to the general business environment and attitudes in Northeast Ohio. Some respondents criticized the “business as usual” attitude in the region, negative attitudes toward new ideas, lack of coordination among nonprofit organizations, and poor state of the regional economy. Many respondents also voiced complaints about the difficulty of dealing with government agencies, cumbersome regulations, and bad tax policy.

Comments relating to the cost of doing business in Northeast Ohio were both positive and negative. Respondents mentioned high taxes and energy costs, but there was also mention of reasonable wage rates and occupancy costs.

Difficulty in securing capital was mentioned by some respondents. One argued that banks in Northeast Ohio are risk-averse; others argued that investors do not have the knowledge needed to support entrepreneurial businesses.

A few respondents expressed concern about the future of the workforce in Northeast Ohio, arguing that schools are not adequately preparing students with skills needed in business and that the best and the brightest are leaving the region.

## XII. Concluding Remarks

Overall, the Entrepreneurship Confidence Survey revealed that individuals feel positive about resources available to entrepreneurs in Northeast Ohio. Perceptions were generally good regarding workforce supply, networking opportunities, attitudes toward entrepreneurs, adequacy of infrastructure, and quality of life. Respondents were also confident in their ability to start and sustain a business in the region. However, the survey does indicate that there is a need to increase access to capital and improve government services.

The fact that different groups of entrepreneurs often had similar perceptions of resources in Northeast Ohio might indicate that all are being served in a similar capacity. If this is the case, it might be reassuring to know that some groups are not being neglected by service providers or being denied access to particular resources. However, where there *are* significant differences in perceptions, further investigation is needed to understand the reason for these differences and to determine whether there are gaps in service or resource availability.

## Appendix A

### Entrepreneurship Confidence Survey

OBJECTIVE: The objective of this survey is to assess the entrepreneurial climate and entrepreneurs' confidence in their ability to start and sustain a business in Northeast Ohio. It is our intent to collect this data over the next several years for the purpose of tracking trends and patterns that may be emerging. Your participation in this survey is appreciated and will help shape the direction of future efforts in economic development.

Please note, regardless of whether or not you consider yourself an entrepreneur, your feedback is very valuable to us.

This survey consists of approximately 20 questions and should take approximately 10 minutes to complete. If you don't know the answer or the question is not applicable to you, please select N/A.

**1. Do you consider yourself an entrepreneur?** [radio button]

- Yes
- No

**2. Have you started a business in the past five years?** [radio button]

- Yes
- No

**3. [If answered no to Question #2, this question appears] Please choose the option that best describes your situation:** [radio button]

- Never considered starting your own business [Selecting this answer will automatically skip respondent to question #6]
- Over the past five years, considered starting your own business but not currently considering it [Selecting this answer will automatically skip respondent to question #6]
- Want to start your own business within the next year
- Want to start your own business within the next five years
- I have started a business more than 5 years ago
- N/A

**4. At what phase of entrepreneurial activity would you consider yourself? (If you have multiple entrepreneurial endeavors, please answer to the most advanced)** [radio button]

- **Imagining** (Developing your business case. Demonstrating in a lab setting.)
- **Incubating** (Business plan and market research. Defining performance specs; validating technological capabilities within the specs.)
- **Demonstrating** (Market acceptance data, price, evidence that sales can grow. Technical proof within customer context; working prototypes perform; manufacturability within cost/quality.)
- **Market Entry** (Entering market, ongoing business, feedback in terms of sales, revenues, margins and growth. Technology embedded working on improvements.)
- **Growth & Sustainability** (Execution; increase in market share; driving business. Product improvements and new product development.)

**5. In what industry is your new or prospective business? (Select one. If you choose "Other," please use the empty text box to specify.)**

- [Single select drop-down to include: Aerospace & Defense; Agriculture; Automotive & Transport; Banking; Bioscience; Business Products & Serv.; Chemicals; Computer Hardwr/Softwr/Serv.; Construction; Consumer Products & Serv.; Education; Electronics; Energy & Utilities; Environmental Serv. & Equip.; Financial Services; Food & Beverages; Health Care; Industrial Manufacturing; Insurance; Leisure; Media & Entertainment; Medical; Metals & Mining; Pharmaceuticals; Real Estate; Retail; Security Products & Serv.; Telecommunications; Transport Services; Other]
- [form field]

**CAPITAL:**

**6. For small businesses, access to capital from the following sources in Northeast Ohio is easy. (Please rate each using the following scale.)**

Equity - Friends and Family	Disagree	1	2	3	4	5	Agree	N/A
Equity - Angel capital	Disagree	1	2	3	4	5	Agree	N/A
Equity - Venture capital	Disagree	1	2	3	4	5	Agree	N/A
Debt - Banks	Disagree	1	2	3	4	5	Agree	N/A

**WORK FORCE:**

**7. Well-trained workers in the following occupation categories in Northeast Ohio are in sufficient supply. (Please rate each using the following scale.)**

Management personnel	Disagree	1	2	3	4	5	Agree	N/A
Scientists and engineers	Disagree	1	2	3	4	5	Agree	N/A
IT specialists	Disagree	1	2	3	4	5	Agree	N/A
Skilled/Specialized workers	Disagree	1	2	3	4	5	Agree	N/A
Unskilled workers	Disagree	1	2	3	4	5	Agree	N/A

**INFORMATION:**

**8. Colleges and universities in Northeast Ohio provide knowledge and information that your business needs. (Please rate each using the following scale.)**

Facilities/Labs	Rarely	1	2	3	4	5	Frequently	N/A
Training	Rarely	1	2	3	4	5	Frequently	N/A
Faculty	Rarely	1	2	3	4	5	Frequently	N/A
Students	Rarely	1	2	3	4	5	Frequently	N/A
Research/Information	Rarely	1	2	3	4	5	Frequently	N/A
Technology Transfer/Licensing	Rarely	1	2	3	4	5	Frequently	N/A

**9. Northeast Ohio business-support organizations provide knowledge and information that your business needs. (Please rate using the following scale.)**

Rarely	1	2	3	4	5	Frequently	N/A
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**NETWORKING:**

**10. Opportunities to meet and network with other people in your field in Northeast Ohio are sufficient. (Please rate using the following scale.)**

Disagree	1	2	3	4	5	Agree	N/A
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**GOVERNMENT:**

**11. Governments' responsiveness to entrepreneurial needs and ability to provide relevant services is sufficient. (Please rate each using the following scale.)**

City governments	Disagree	1	2	3	4	5	Agree	N/A
County governments	Disagree	1	2	3	4	5	Agree	N/A
State government	Disagree	1	2	3	4	5	Agree	N/A

**ATTITUDE:**

**12. Attitude towards entrepreneurs among the following groups in Northeast Ohio is receptive. (Please rate each using the following scale.)**

Family and friends	Disagree	1	2	3	4	5	Agree	N/A
Business community	Disagree	1	2	3	4	5	Agree	N/A
Other entrepreneurs	Disagree	1	2	3	4	5	Agree	N/A

**INFRASTRUCTURE:**

**13. The following infrastructure in Northeast Ohio satisfies your business needs. (Please rate each using the following scale.)**

Available space	Rarely	1	2	3	4	5	Always	N/A
Air Transportation	Rarely	1	2	3	4	5	Always	N/A
Information Technology	Rarely	1	2	3	4	5	Always	N/A

14. Are there other infrastructure-related factors that affect your business – positively or negatively? *(Please specify)*

- [form field]

**QUALITY OF LIFE:**

15. The following quality of life items help my ability to develop a business in Northeast Ohio. *(Please rate each using the following scale.)*

Cost of living	Disagree	1	2	3	4	5	Agree	N/A
Commuting time	Disagree	1	2	3	4	5	Agree	N/A
Climate	Disagree	1	2	3	4	5	Agree	N/A
Cultural amenities	Disagree	1	2	3	4	5	Agree	N/A
Recreational amenities	Disagree	1	2	3	4	5	Agree	N/A
Diversity	Disagree	1	2	3	4	5	Agree	N/A

**CONFIDENCE:**

16. The overall economic health of the region is strong. *(Please rate using the following scale.)*

Disagree	1	2	3	4	5	Agree	N/A
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17. If you have started a business in the past five years, how confident are you that you will be able to sustain it? *(Please rate using the following scale.)*

Not Confident	1	2	3	4	5	Very Confident	N/A
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18. If you would like to start a business, how confident are you that you will be able to within the next five years? *(Please rate using the following scale.)*

Not Confident	1	2	3	4	5	Very Confident	N/A
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**DEMOGRAPHICS (OPTIONAL):**

19. Please identify your age group: [single select drop down]

- 24 years and under
- 25-34
- 35-44
- 45-64
- 65 years and over

20. What is your gender? [single select drop down]

- Male
- Female

21. Where is the primary location of your business?

- Zip code [form field]

22. What industry are you currently affiliated with? *(Select one. If you choose "Other", please use the empty text box to specify.)*

- [Single select drop-down to include: Aerospace & Defense; Agriculture; Automotive & Transport; Banking; Bioscience; Business Products & Serv.; Chemicals; Computer Hardwr/Softwr/Serv.; Construction; Consumer Products & Serv.; Education; Electronics; Energy & Utilities; Environmental Serv. & Equip.; Financial Services; Food & Beverages; Health Care; Industrial Manufacturing; Insurance; Leisure; Media & Entertainment; Medical; Metals & Mining; Pharmaceuticals; Real Estate; Retail; Security Products & Serv.; Telecommunications; Transport Services; Other]
- [form field]