



SUPPORTING ENTREPRENEURS

A Longitudinal Impact Study of Accion and
Opportunity Fund Small Business Lending in the U.S.

April 2018

Methods Appendix

This appendix contains additional details about the study methods as well as a brief overview of study participants.

Methods Overview

In order to obtain the most comprehensive and detailed understanding of the mid-term impact of small business loans, the study employed a mixed-methods approach to data collection, using both quantitative and qualitative data elements. This section provides additional detail regarding the study methods used.

The study consisted of two key methods:

- 1. Surveys:** The survey went beyond typical metrics, such as business revenue and number of employees, to measure entrepreneur' personal and business goals, financial management practices, and plans for the future. Business owners who received their loan between January 2014 and March 2015 and were in loan repayment were eligible to participate. This time frame was selected to ensure a large enough sample size while also ensuring an appropriate amount of time since loan receipt to observe change. The survey was offered in English and Spanish and was conducted initially between January and May 2016 and again between March and June 2017.

Regionally representative samples of loan recipients were invited to complete the survey online or via telephone. Sample sizes and composition varied in accordance with the number of loans granted across Accion and Opportunity Fund member networks (Exhibit 1). While the sample in each lending region was intended to be representative of the region as a whole, each sample represents entrepreneurs across cities and states. The completed surveys represent entrepreneurs across 27 states (Exhibit 2).

- 2. In-Depth Interviews:** A smaller cohort of entrepreneurs who completed the survey also participated in in-depth, semi-structured telephone interviews between April and June 2016 and again between April and June 2017. The interviews were designed to delve deeper into entrepreneurs' experiences, financial practices, and quality of life measures not typically captured through surveys. Interviewees were sampled using ten Metropolitan Statistical Areas (MSA) as the regional focus. By focusing on ten MSAs interviews provide insight regarding nuances in entrepreneur experiences within each lending member. The interviews were offered in English and Spanish and asked business owners to reflect on the impact of their microloan on their household and business, and on how the entrepreneur defined success for their business. The number of interviews completed by metropolitan area is shown below (Exhibit 2).

Exhibit 1. Survey and Interview Sampling

Lending Region	Total Eligible Borrowers ⁵⁹	% of Sample	Completed Surveys		Number of In-Depth Interviews	
			Initial	Follow-up	Initial	Follow-up
East (Florida, New Jersey, New York, and Massachusetts)	1,353	11.6%	157	94	47	25
Illinois and Northwest Indiana	618	15.0%	93	59	26	11
Southwest and Rocky Mountains (Arizona, Colorado, Nevada, New Mexico, and Texas)	1,435	10.4%	149	100	57	25
San Diego	294	20.4%	60	30	27	14
Los Angeles and Bay Area	1,656	6.2%	102	67	41	25
Total	5,356	10.5%	561	350	188	100

Quantitative Data Analysis

This section outlines the approach to analyzing the survey. Data from 350 matched Initial and Follow-up surveys completed by June 15, 2017 were included in the analysis.⁶⁰

All variables were screened to determine the amount of missing data. At the individual business owner level, missing data from either the initial or follow-up survey resulted in that owner being excluded from the analysis of that particular variable (pair-wise deletion). For scales consisting of averages, scores were computed if at least half of items had responses.

Descriptive analysis was conducted on all survey items in the form of counts, percentages and/or proportions. All subsequent parametric and nonparametric analyses were conducted one-tailed and were considered significant if alpha is less than .05. Change over time was assessed using data from entrepreneurs who had completed surveys at both initial and follow-up. Tests were considered statistically significant if their alpha value is less than .05 (one-tailed where relevant). Where possible, individual items were combined to create scales before testing for statistical significance; this was important to create more stable estimates and reduce experiment-wise type I error.

Cluster Analysis

The research team employed a data analytic technique called *cluster analysis* to distinguish different types of entrepreneurs based on the changes in business practices and financial outcomes reported in the follow-up survey. Cluster analysis is a set of multivariate analytic techniques used to identify underlying groups within data sets based on a defined set of characteristics.

As noted in the report, groups were identified by the following variables:

1. Change in sales and profit during the past six months

⁵⁹ This includes only business owners who received a loan between January 2014 and March 2015.

⁶⁰ Of 372 reached at follow-up, 22 businesses had closed and were not included in the full analysis.

2. Change in personal/household savings during the past six months
3. Employment outside of business
4. Ability to draw a salary from the business in the past six months
5. Business financial stability (i.e., sufficient revenue to cover expenses and withstand a financial emergency)
6. Personal and business financial tools such as business savings account, credit card, insurance, retirement account
7. Business tracking tools
8. Comfort with current level of business debt
9. Personal financial security, such as financial stress and ability to plan

Only businesses that were open at the time of the follow-up survey and that responded to all cluster analysis questions were included in this data analysis (n=259).

This approach created clusters (or groups) of entrepreneurs that are most alike one another, while simultaneously maximizing the differences among groups. The research team used a hierarchical cluster analysis utilizing Ward's method⁶¹ of distance calculation to identify five "types" of entrepreneurs based on data from the follow-up survey. Based on the data, five distinct groups of entrepreneurs emerged.⁶²

Next, we explored the ways in which each of the five groups of entrepreneurs differed from one another based on survey items included in the cluster analysis and some items not included in the cluster analysis. This data, along with data from in-depth interviews (see below), created the basis for each cluster profile that appears in the report.

The cluster analysis identified compelling groups of entrepreneurs and identifies ways in which they are unique from one another. However, it is important to acknowledge two potential limitations:

1. The cluster analysis included only businesses that were open at both the initial and follow-up survey and;
2. The analysis included only business owners who provided answers to all questions from the follow-up survey. While these entrepreneurs did not appear to differ in any substantive way that the research team could identify, it is worth noting that the entrepreneur clusters are based on a subset of the full matched sample.

Qualitative Data Analysis

This section provides an overview of the approach to analyzing the in-depth interviews. Data from all interviews at initial and follow-up completed by June 30, 2017 were included in the analysis.

The qualitative data analysis consisted of two phases, 1) content analysis of all follow up interviews and 2) trajectory analysis of matched initial and follow up interviews for each of the clusters.

⁶¹ Ward's method uses the F value to maximize the significance of differences between clusters, which gives it the highest statistical power of all methods.

⁶² We elected to explore the 5 group solution based on the changes in the agglomeration coefficient.

Content analysis

The analysis team developed a codebook guided by the six evaluation domains and emerging findings from the initial round of data analysis. Utilizing ATLAS.ti software, the data were coded accordingly. New codes were added as the data analysis team observed new trends not captured by the then current codebook.

Interview participants were segmented into mutually exclusive families based on gender, number of employees, borrower status, and age of business (Exhibit 2). These categories were developed jointly with Accion and Opportunity Fund and based on the first round of data analysis and expected outcomes. Interview data were exported for each code and family. The analysis team reviewed, interpreted, and summarized the key trends for each code and entrepreneur family. Based on this initial review, several additional lines of inquiry appeared and the analysis team took the same approach for analyzing and interpreting those pieces.

Exhibit 2. Family Analysis Description

Family	Description
Business size	<ul style="list-style-type: none"> • Sole owned/operated • 1-4 employees • 5+ employees
Type of borrower at beginning of study	<ul style="list-style-type: none"> • First time borrower • Repeat borrower
Gender	<ul style="list-style-type: none"> • Male • Female
Length in business at start of the study	<ul style="list-style-type: none"> • Less than 2 years • 2-5 years • More than 5 years

Trajectory analysis

The analysis team used the clusters identified in the quantitative analysis to conduct a longitudinal trajectory analysis for each business owners in each cluster. This allowed for the examination of smaller cohorts of entrepreneurs within the larger sample to understand the conditions under which change happens and to examine the impact lending services have had on entrepreneurs across the nation. The trajectory analysis focused on the following questions:

- When do any changes occur for entrepreneurs? Which changes co-occur with or precede others? Are there any reasons, surges or 'tipping points' for those changes?
- What are the contextual processes that condition or influence changes and the timing of changes?
- Are changes substantive or symbolic?
- How meaningful do entrepreneurs see those changes?

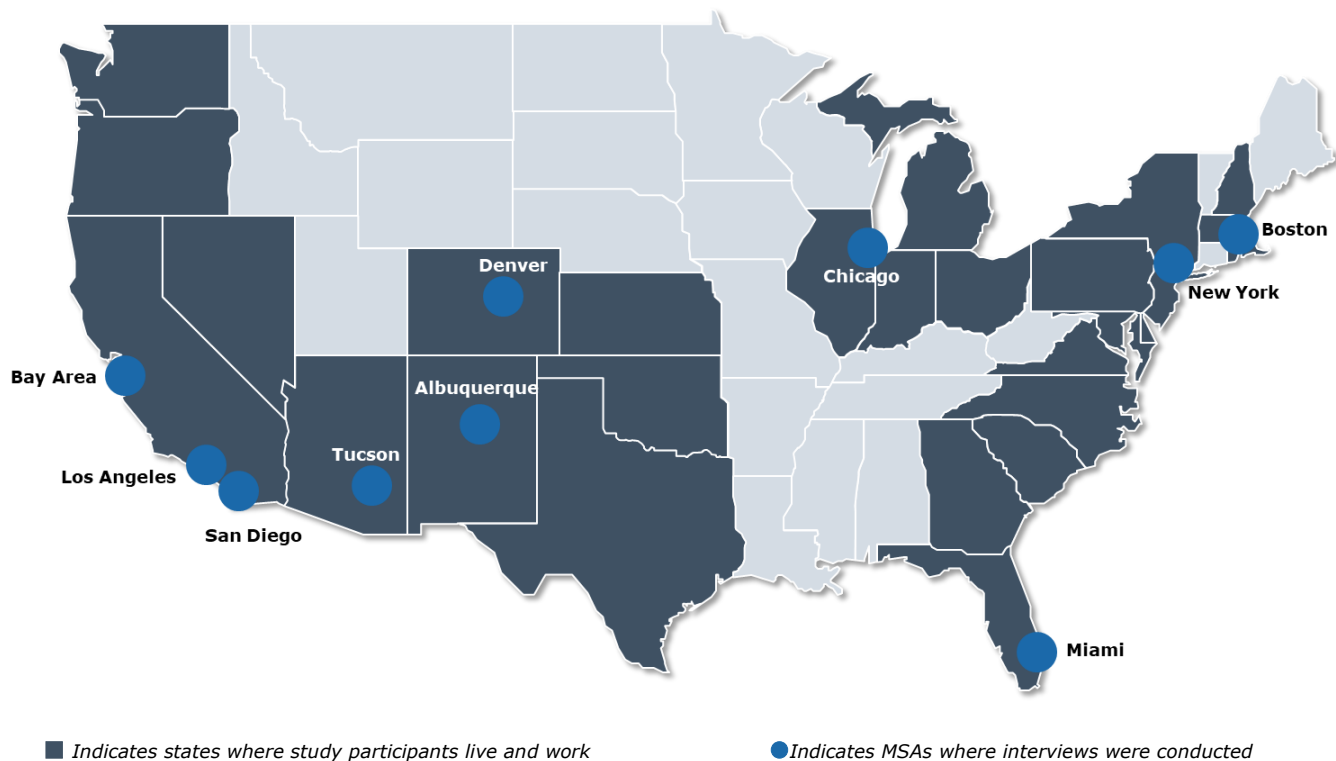
Matched interview participants for each cluster were used to conduct a second round of content analysis. Looking at both coded data and transcripts for both sets of interviews, the analysis team used a deductive approach to answer the above questions.

Overview of Study Participants

The report analyzed data from 350 matched participants (meaning they completed both the initial and follow-up surveys). Study participants are a geographically and demographically diverse group of entrepreneurs. They include entrepreneurs from 27 different states and Puerto Rico (Exhibit 3).

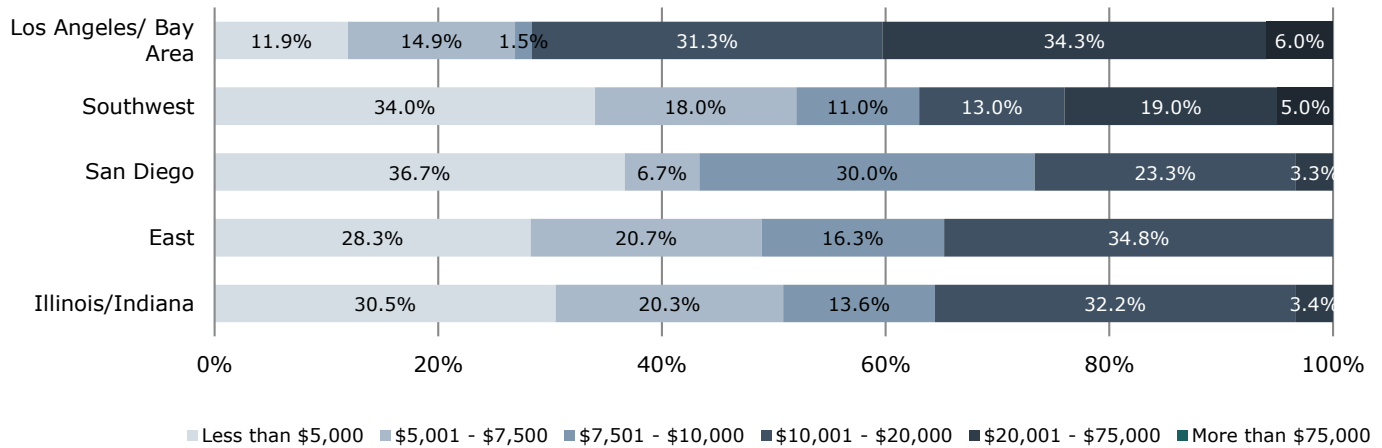
To ensure a sample of business owners that reflects the diversity of Accion and Opportunity Fund-supported entrepreneurs, the study employed stratified cohort probability sampling, engaging entrepreneurs that reflect lending in each region on factors such as ethnicity, borrower status (first time or repeat borrowers), and income level. This approach maximizes the ability to generalize findings across each funding region.

Exhibit 3. Regional Representation of Surveys and Interviews

















Loan amounts across the matched survey sample varied widely, from \$200 to \$500,000, with most (58.2%) under \$10,000. Each lending member has its own range of loan amounts. Opportunity Fund's loan range, for example, was \$2,500 to \$100,000, while some Accion loans were for larger amounts (Exhibit 4).

Exhibit 4. Loan Ranges by Sample Region (n=350)



Entrepreneurs represent a wide range of business industries, from transportation and warehousing to arts and entertainment (Exhibit 4). There are regional differences when looking at specific industries. For example, almost half (48.5%) of transportation and warehousing entrepreneurs are from the Los Angeles and Bay Area while the largest group of retail trade services (32.6%) is from the East Coast.

Exhibit 5. Business Industries (n=350) ⁶³

	Retail Trade	13.3%		Manufacturing	4.9%
	Administrative and Support and Waste Management and Remediation Services	11.5%		Information	3.7%
	Professional, Scientific, and Technical Services	8.9%		Arts, Entertainment, and Recreation	3.3%
	Transportation and Warehousing	9.5%		Educational Services	2.6%
	Accommodation and Food Services	8.1%		Finance and Insurance	2.6%
	Health Care and Social Assistance	8.1%		Real Estate and Rental and Leasing	1.4%
	Construction	6.2%		Agriculture, Forestry, Fishing and Hunting	0.9%
	Wholesale Trade	5.5%			

The categories utilized throughout the report to identify businesses industries reflect the names of the North American Industry Classification System (NAICS). NAICS industry names are the standard that Federal agencies use when classifying business establishments and may not be the common name used by

⁶³ 9.8% (or 34 respondents) indicated an "other" service field.

entrepreneurs. For example, the category Administrative and Support and Waste Management and Remediation Services refers to businesses primarily engaged in providing support activities for the day-to-day operations of other organizations. Those services include janitorial services, document preparation services, and security services.

Data Appendix

Table 1. Cluster Analysis Variables

The following table details the indicators used for the cluster analysis. All indicators used are from the follow up survey. Total column includes all borrowers that were not part of any cluster.

Indicator	Cluster		Focused and Growing		Stable and Strategic		Off Balance and Seasonal		Retrenching		Slowly Growing and Optimistic		Total	
	%	n	%	n	%	n	%	n	%	n	%	n	%	n
Employment outside the business	0.0%	113	100.0%	31	38.0%	24	58.0%	48	5.0%	40	29.0%	350		
Take home a salary from businesses	100.0%	113	93.5%	31	50.0%	24	2.1%	48	95.3%	43	73.0%	333		
Business Sales and Profit in last six months														
Increase	77.0%	87	74.2%	23	0.0%	0	68.8%	33	60.5%	26	63.1%	221		
Decrease	6.2%	7	9.7%	3	91.7%	22	4.2%	2	4.7%	2	14.6%	51		
Stay the same	16.8%	19	16.1%	5	8.3%	2	27.1%	13	34.9%	15	22.2%	78		
Personal take home pay in last six months														
Increase	58.4%	66	54.8%	17	0.0%	0	22.9%	11	23.3%	10	39.6%	126		
Decrease	3.5%	4	0.0%	0	70.8%	17	4.2%	2	9.3%	4	12.3%	39		
Stay the same	38.1%	43	45.2%	14	29.2%	7	72.9%	35	67.4%	29	48.1%	153		
Personal/household savings														
Increase	53.1%	60	54.8%	17	0.0%	0	33.3%	16	2.3%	1	35.4%	112		
Decrease	3.5%	4	9.7%	3	75.0%	18	6.3%	3	18.6%	8	14.9%	47		
Stay the same	43.4%	49	35.5%	11	25.0%	6	60.4%	29	79.1%	34	49.7%	157		
Business financial stability⁶⁴ <i>(i.e., sufficient revenue to cover expenses, ability to withstand financial emergency)</i>	3.36 (0.50)	113	3.05 (0.59)	31	2.26 (0.51)	24	2.92 (0.64)	48	2.38 (0.61)	43	2.96 (0.71)	350		
Personal and business financial tools⁶⁵ <i>(i.e., business savings account, credit card, insurance, retirement account)</i>	6.60 (1.79)	113	6.32 (1.25)	31	6.08 (1.61)	24	6.17 (1.73)	48	4.98 (1.57)	43	5.93 (1.80)	350		
Business tracking tools⁶⁶	3.10 (0.77)	113	2.71 (0.69)	31	3.33 (0.76)	24	3.13 (0.76)	48	3.21 (0.64)	43	3.01 (0.76)	350		
Personal financial security⁶⁷ <i>(i.e., stress about finances, ability to plan for financial future)</i>	4.13 (0.60)	113	4.17 (0.61)	31	2.85 (0.61)	24	3.87 (0.68)	48	3.07 (0.58)	43	3.77 (0.77)	348		
Comfort with debt														
Very uncomfortable	1.8%	2	0.0%	0	16.7%	4	14.6%	7	32.6%	14	11.7%	37		

⁶⁴Average of items in Question 11: Business financial stability. Items include: monthly business revenue sufficient to cover operating costs; able to meet business debt and other obligations; can withstand negative events; am able to pursue growth opportunities; have sufficient cash reserves to withstand financial emergency, able to predict monthly take home pay. The scale ranged from 1 to 4, where 1=Rarely; 2= Sometimes/occasionally; 3=Most of the time; and 4=" Always or almost always."

⁶⁵ Sum of items in Question 12: Personal and business financial tools. Items include: personal/business savings and checking accounts; investment accounts; business financial plan; business credit card; and business insurance. The scale ranged from 0 to 9.

⁶⁶ Categorization of responses to Question 13: Business tracking tools. Responses were scored on a scale 1 to 4, where 1=No tracking practices to 4=advanced practices (uses financial software and/or an accountant to track business finances).

⁶⁷ Average of items on Question 20: Personal financial security. Items include: feel in control of current financial situation; finances are a source of worry; have ability to handle financial future; saving and investing are important; have adequate information to make financial decisions; repaying loans is a source of stress; and have planned for a financial emergency. The scale ranged from 1=Not at all true to 5=Very true.

<i>Cluster</i>	Focused and Growing		Stable and Strategic		Off Balance and Seasonal		Retrenching		Slowly Growing and Optimistic		Total	
Somewhat uncomfortable	5.3%	6	12.9%	4	37.5%	9	12.5%	6	32.6%	14	15.5%	49
Somewhat comfortable	39.8%	45	35.5%	11	25.0%	6	27.1%	13	34.9%	15	33.5%	106
Very comfortable with the level of debt	53.1%	60	51.6%	16	20.8%	5	45.8%	22	0.0%	0	39.2%	124

Table 2. Demographics of Clusters

The following table details key demographic variables by cluster for matched cases. Total column includes all borrowers that were not part of any cluster.

<i>Cluster</i>	Focused and Growing		Stable and Strategic		Off Balance and Seasonal		Retrenching		Slowly Growing and Optimistic		Total	
<i>Demographics</i>	%	n	%	n	%	n	%	n	%	n	%	n
Reason for obtaining the loan												
Open	12.5%	14	6.7%	2	12.5%	3	25.0%	12	4.7%	2	14.4%	50
Maintain	41.1%	46	50.0%	15	54.2%	13	35.4%	17	48.8%	21	45.1%	157
Expand	46.4%	52	43.3%	13	33.3%	8	39.6%	19	46.5%	20	40.5%	141
Ethnicity												
White	36.6%	34	39.3%	11	31.8%	7	34.1%	15	46.0%	17	34.9%	103
Black	16.1%	15	21.4%	6	31.8%	7	20.5%	9	16.2%	6	19.3%	57
Latino	34.4%	32	35.7%	10	18.2%	4	34.1%	15	29.7%	11	35.3%	104
Other	12.9%	12	3.6%	1	18.2%	4	11.4%	5	8.1%	3	10.5%	31
Age												
0-34 years old	24.2%	23	21.4%	6	8.7%	2	29.5%	13	15.8%	6	19.3%	58
35-54 years old	53.7%	51	53.6%	15	73.9%	17	59.1%	26	60.5%	23	60.7%	182
55+ years old	22.1%	21	25.0%	7	17.4%	4	11.4%	5	23.7%	9	20.0%	60
Gender												
Female	35.8%	34	53.6%	15	56.5%	13	52.3%	23	52.6%	20	48.3%	145
Male	64.2%	61	46.4%	13	43.4%	10	47.7%	21	47.3%	18	51.7%	155
Industry												
Accommodation and Food Services	4.4%	5	16.1%	5	4.2%	1	8.3%	4	18.6%	8	8.0%	28
Administrative and Support and Waste Management and Remediation Services	9.7%	11	16.1%	5	4.2%	1	12.5%	6	14.0%	6	11.4%	40
Agriculture, Forestry, Fishing and Hunting	0.9%	1	3.2%	1	0.0%	0	2.1%	1	0.0%	0	0.9%	3
Arts, Entertainment, and Recreation	2.7%	3	0.0%	0	8.3%	2	4.2%	2	0.0%	0	3.1%	11
Construction	5.3%	6	0.0%	0	4.2%	1	8.3%	4	4.7%	2	6.0%	21
Educational Services	2.7%	3	3.2%	1	0.0%	0	6.3%	3	0.0%	0	2.6%	9
Finance and Insurance	2.7%	3	0.0%	0	4.2%	1	0.0%	0	7.0%	3	2.6%	9
Health Care and Social Assistance	11.5%	13	6.5%	2	12.5%	3	2.1%	1	2.3%	1	8.0%	28
Information	3.5%	4	9.7%	3	0.0%	0	8.3%	4	0.0%	0	3.7%	13
Manufacturing	1.8%	2	3.2%	1	12.5%	3	2.1%	1	11.6%	5	4.9%	17
Other Services (except Public Administration)	5.3%	6	3.2%	1	16.7%	4	12.5%	6	18.6%	8	9.7%	34
Professional, Scientific, and Technical Services	15.9%	18	9.7%	3	8.3%	2	4.2%	2	4.7%	2	8.9%	31
Real Estate and Rental and Leasing	1.8%	2	0.0%	0	0.0%	0	2.1%	1	0.0%	0	1.4%	5

<i>Demographics</i>	<i>Cluster</i>	Focused and Growing		Stable and Strategic		Off Balance and Seasonal		Retrenching		Slowly Growing and Optimistic		Total	
		%	n	%	n	%	n	%	n	%	n	%	n
	Retail Trade	11.5%	13	12.9%	4	12.5%	3	14.6%	7	9.3%	4	13.1%	46
	Transportation and Warehousing	14.2%	16	6.5%	2	12.5%	3	2.1%	1	2.3%	1	9.4%	33
	Wholesale Trade	5.3%	6	9.7%	3	0.0%	0	8.3%	4	4.7%	2	5.4%	19

Table 3. Impact questions by cluster

The following illustrates all 18 impact items by clusters. Borrowers were asked to rate each statements on a scale from 1 to 5.

Survey questions: Please rate each of the following statements from 1 to 5. 1 means Opportunity Fund had NO impact on that item. 5 means Opportunity Fund had A LOT of impact on that item. Not all statements may be true for you and/or your business. Please mark N/A if the statement is not true for your business (e.g., mark N/A if your business sales have not increased)

Survey Item	Initial Survey Means (Standard Deviation)	Follow-up Survey Means (Standard Deviation)	Means Difference * indicates statistical significance when $p < 0.05$	Percent of borrowers who marked 4 or 5 at Initial Survey	Percent of borrowers who marked 4 or 5 at Follow-Up Survey
OVERALL STUDY SAMPLE (n=350)					
a. My new equipment	3.70 (1.34)	3.78 (1.34)	0.08	62.90%	63.40%
b. Feeling more confident I can achieve my goals	3.39 (1.42)	3.48 (1.40)	0.09	49.70%	53.70%
c. My ability to expand or modify my products/services	2.87 (1.55)	2.96 (1.57)	0.01	38.00%	38.50%
d. My cash-flow	3.76 (1.37)	3.75 (1.41)	-0.01	62.30%	61.90%
e. My ability to increase business sales	2.35 (1.52)	2.52 (1.63)	0.17	26.80%	30.10%
f. My business' overall profit	2.70 (1.56)	2.69 (1.62)	-0.01	32.90%	33.20%
g. My ability to revise, develop, or implement a marketing strategy	2.59 (1.57)	2.79 (1.59)	0.21*	30.30%	37.10%
h. My ability to improve my credit	3.48 (1.53)	3.51 (1.48)	0.03	53.60%	56.00%
i. Feeling more financially stable	3.73 (1.37)	3.65 (1.48)	-0.08	62.80%	61.00%
j. My change in location	2.89 (1.51)	2.97 (1.58)	0.08	37.40%	39.10%
k. My ability to project my business sales and profits	2.60 (1.54)	2.66 (1.60)	0.07	31.30%	32.60%
l. My ability to improve financial record keeping	3.15 (1.51)	3.08 (1.54)	-0.07	46.00%	45.20%
m. Having more take home pay	2.60 (1.53)	2.61 (1.61)	0.01	29.40%	31.50%

Survey Item	Initial Survey Means (Standard Deviation)	Follow-up Survey Means (Standard Deviation)	Means Difference <i>* indicates statistical significance when $p < 0.05$</i>	Percent of borrowers who marked 4 or 5 at Initial Survey	Percent of borrowers who marked 4 or 5 at Follow-Up Survey
n. My ability to help improve a particular area/neighborhood	2.19 (1.45)	2.20 (1.53)	0.01	20.20%	22.90%
o. My ability to hire staff	3.59 (1.36)	3.49 (1.42)	-0.10	55.90%	52.40%
p. My ability to retain staff	3.63 (1.37)	3.52 (1.42)	-0.10	60.60%	54.10%
q. My ability to spend more time with my family	2.33 (1.65)	2.21 (1.60)	-0.12	29.60%	25.60%
r. My ability to work less	3.71 (1.53)	3.55 (1.65)	-0.17	62.30%	57.90%

FOCUSED AND GROWING CLUSTER (n=113)

a. My new equipment	3.50 (1.63)	3.56 (1.69)	0.06	56.10%	58.00%
b. Feeling more confident I can achieve my goals	3.86 (1.32)	3.96 (1.37)	0.10	71.00%	71.40%
c. My ability to expand or modify my products/services	3.87 (1.37)	3.88 (1.37)	0.01	68.00%	68.80%
d. My cash-flow	3.84 (1.29)	3.67 (1.44)	-0.18	67.30%	60.20%
e. My ability to increase business sales	3.84 (1.32)	3.86 (1.39)	0.02	68.30%	69.40%
f. My business' overall profit	3.78 (1.33)	3.78 (1.40)	0.00	65.40%	65.80%
g. My ability to revise, develop, or implement a marketing strategy	3.45 (1.46)	3.27 (1.54)	0.00	51.50%	52.40%
h. My ability to improve my credit	3.76 (1.50)	3.70 (1.55)	-0.06	62.50%	67.30%
i. Feeling more financially stable	3.64 (1.36)	3.68 (1.45)	0.04	58.50%	61.60%
j. My change in location	2.25 (1.64)	2.10 (1.57)	-0.15	24.70%	27.60%
k. My ability to project my business sales and profits	3.10 (1.51)	3.33 (1.62)	0.23	41.80%	53.80%
l. My ability to improve financial record keeping	2.64 (1.58)	3.03 (1.61)	0.40*	31.60%	44.70%
m. Having more take home pay	3.04 (1.46)	3.27 (1.67)	0.23	42.70%	53.70%
n. My ability to help improve a particular area/neighborhood	2.23 (1.45)	2.63 (1.70)	0.40*	23.80%	30.60%
o. My ability to hire staff	2.81 (1.55)	3.04 (1.70)	0.23	39.30%	46.80%
p. My ability to retain staff	2.73 (1.50)	2.96 (1.64)	0.23	35.60%	44.60%
q. My ability to spend more time with my family	2.68 (1.57)	2.77 (1.68)	0.09	34.00%	34.30%
r. My ability to work less	2.15 (1.46)	2.25 (1.60)	0.10	20.00%	23.40%

Survey Item	Initial Survey Means (Standard Deviation)	Follow-up Survey Means (Standard Deviation)	Means Difference <i>* indicates statistical significance when $p < 0.05$</i>	Percent of borrowers who marked 4 or 5 at Initial Survey	Percent of borrowers who marked 4 or 5 at Follow-Up Survey
STABLE AND STRATEGIC CLUSTER (n=31)					
a. My new equipment	4.46 (1.18)	3.96 (1.46)	-0.50	81.50%	67.90%
b. Feeling more confident I can achieve my goals	3.71 (1.33)	3.89 (1.07)	0.18	62.10%	63.30%
c. My ability to expand or modify my products/services	3.52 (1.50)	4.17 (1.14)	0.66*	55.20%	76.70%
d. My cash-flow	3.12 (1.51)	3.53 (1.33)	0.40	38.50%	55.20%
e. My ability to increase business sales	3.48 (1.41)	3.55 (1.35)	0.07	55.20%	56.70%
f. My business' overall profit	3.59 (1.39)	3.74 (1.20)	0.15	53.60%	62.10%
g. My ability to revise, develop, or implement a marketing strategy	2.85 (1.43)	3.15 (1.35)	0.30	35.70%	42.90%
h. My ability to improve my credit	3.37 (1.45)	3.89 (1.21)	0.52	56.70%	64.30%
i. Feeling more financially stable	3.22 (1.53)	3.70 (1.10)	0.48	42.90%	56.70%
STABLE AND STRATEGIC CLUSTER (continued)					
j. My change in location	2.64 (1.82)	2.50 (1.56)	-0.14	30.00%	29.40%
k. My ability to project my business sales and profits	2.48 (1.44)	3.04 (1.49)	0.57	28.00%	37.00%
l. My ability to improve financial record keeping	2.09 (1.51)	2.78 (1.59)	0.70	17.40%	34.60%
m. Having more take home pay	2.71 (1.61)	3.21 (1.34)	0.50	41.40%	41.40%
n. My ability to help improve a particular area/neighborhood	1.94 (1.31)	2.00 (1.24)	0.06	19.00%	16.70%
o. My ability to hire staff	2.05 (1.27)	2.26 (1.37)	0.21	9.50%	16.70%
p. My ability to retain staff	1.89 (1.24)	2.68 (1.57)	0.79	9.50%	27.30%
q. My ability to spend more time with my family	2.25 (1.29)	2.40 (1.43)	0.15	16.00%	34.80%
r. My ability to work less	1.58 (0.96)	2.21 (1.44)	0.63*	8.70%	21.70%
OFF BALANCE AND SEASONAL CLUSTER (n=24)					
a. My new equipment	3.67 (1.46)	3.48 (1.63)	-0.19	63.60%	52.20%
b. Feeling more confident I can achieve my goals	3.90 (1.04)	3.24 (1.26)	-0.67*	73.90%	40.90%
c. My ability to expand or modify my products/services	3.86 (1.17)	2.86 (1.52)	-1.00*	73.90%	39.10%
d. My cash-flow	3.71 (1.31)	3.48 (1.37)	-0.238	68.20%	39.10%
e. My ability to increase business sales	4.00(1.14)	3.00 (1.48)	-1.00*	69.60%	50.00%
f. My business' overall profit	3.60 (1.23)	2.50 (1.32)	-1.10*	56.50%	28.60%
g. My ability to revise, develop, or implement a marketing strategy	3.00 (1.49)	2.63 (1.54)	-0.368	54.50%	23.80%

Survey Item	Initial Survey Means (Standard Deviation)	Follow-up Survey Means (Standard Deviation)	Means Difference <i>* indicates statistical significance when $p < 0.05$</i>	Percent of borrowers who marked 4 or 5 at Initial Survey	Percent of borrowers who marked 4 or 5 at Follow-Up Survey
h. My ability to improve my credit	3.00 (1.59)	3.05 (1.28)	0.05	36.40%	27.30%
i. Feeling more financially stable	3.48 (1.21)	3.38 (1.40)	-0.095	59.10%	47.80%
j. My change in location	3.19 (1.80)	2.81 (1.60)	-0.375	52.90%	31.60%
k. My ability to project my business sales and profits	3.14 (1.15)	2.33 (1.24)	-0.81*	43.50%	18.20%
l. My ability to improve financial record keeping	2.79 (1.51)	2.53 (1.54)	-0.263	35.00%	27.30%
m. Having more take home pay	2.58 (1.50)	2.26 (1.37)	-0.316	28.60%	13.60%
n. My ability to help improve a particular area/neighborhood	2.42 (1.51)	2.50 (1.68)	0.083	27.80%	29.40%
o. My ability to hire staff	3.00 (1.56)	2.87 (1.55)	-0.133	43.80%	35.00%
p. My ability to retain staff	3.07 (1.49)	2.64 (1.39)	-0.429	50.00%	22.20%
q. My ability to spend more time with my family	2.18 (1.29)	2.41 (1.54)	0.235	19.00%	25.00%
r. My ability to work less	2.17 (1.20)	2.00 (1.53)	-0.17	14.30%	14.30%
RETRENCHING CLUSTER (n=48)					
a. My new equipment	3.91 (1.38)	3.71 (1.69)	-0.20	68.30%	60.50%
b. Feeling more confident I can achieve my goals	3.91 (1.16)	3.95 (1.26)	0.05	66.70%	66.00%
c. My ability to expand or modify my products/services	4.08 (1.14)	2.08 (1.36)	0.00	66.70%	65.10%
d. My cash-flow	3.59 (1.39)	3.57 (1.47)	-0.02	59.10%	56.30%
e. My ability to increase business sales	3.63 (1.23)	3.70 (1.68)	0.08	56.10%	63.00%
f. My business' overall profit	3.63 (1.24)	3.54 (1.43)	-0.10	52.40%	48.90%
g. My ability to revise, develop, or implement a marketing strategy	3.28 (1.37)	3.25 (1.70)	-0.03	51.20%	51.20%
h. My ability to improve my credit	3.33 (1.53)	3.38 (1.56)	0.05	46.50%	46.70%
i. Feeling more financially stable	3.37 (1.43)	3.51 (1.44)	0.14	44.40%	52.20%
j. My change in location	2.24 (1.56)	2.18 (1.70)	-0.06	38.70%	29.60%
k. My ability to project my business sales and profits	3.00 (1.45)	2.82 (1.52)	-0.18	38.50%	29.80%
l. My ability to improve financial record keeping	3.06 (1.53)	2.74 (1.60)	-0.31	36.60%	40.50%
m. Having more take home pay	2.86 (1.50)	2.39 (1.42)	-0.47*	33.30%	20.00%
n. My ability to help improve a particular area/neighborhood	2.97 (1.49)	3.00 (1.79)	0.03	33.30%	41.00%
o. My ability to hire staff	2.62 (1.47)	2.35 (1.55)	-0.27	30.30%	24.30%
p. My ability to retain staff	2.61 (1.59)	2.61 (1.62)	0.00	28.10%	26.50%

Survey Item	Initial Survey Means (Standard Deviation)	Follow-up Survey Means (Standard Deviation)	Means Difference <i>* indicates statistical significance when $p < 0.05$</i>	Percent of borrowers who marked 4 or 5 at Initial Survey	Percent of borrowers who marked 4 or 5 at Follow-Up Survey
q. My ability to spend more time with my family	2.60 (1.45)	2.30 (1.60)	-0.30	20.50%	29.50%
r. My ability to work less	2.50 (1.48)	2.16 (1.62)	-0.34	20.00%	24.40%
SLOWLY GROWING AND OPTIMISTIC CLUSTER (n=43)					
a. My new equipment	3.50 (1.73)	3.25 (1.82)	-0.25	54.30%	51.40%
b. Feeling more confident I can achieve my goals	2.92 (1.40)	3.30 (1.31)	0.378	39.50%	42.90%
c. My ability to expand or modify my products/services	3.38 (1.52)	3.35 (1.38)	-0.027	46.20%	48.80%
d. My cash-flow	3.38 (1.52)	3.12 (1.32)	-0.265	48.60%	42.50%
e. My ability to increase business sales	3.57 (1.59)	3.46 (1.48)	-0.108	61.50%	58.50%
f. My business' overall profit	3.16 (1.46)	2.78 (1.11)	-0.378	42.10%	28.60%
g. My ability to revise, develop, or implement a marketing strategy	2.67 (1.51)	2.36 (1.27)	-0.303	29.70%	22.20%
h. My ability to improve my credit	3.12 (1.45)	3.00 (1.33)	-0.118	38.90%	42.50%
i. Feeling more financially stable	2.62 (1.42)	2.78 (1.27)	0.162	29.70%	31.00%
SLOWLY GROWING AND OPTIMISTIC CLUSTER (continued)					
j. My change in location	1.67 (1.43)	1.62 (1.43)	-0.048	22.60%	13.80%
k. My ability to project my business sales and profits	2.42 (1.60)	2.30 (1.36)	-0.121	26.30%	16.20%
l. My ability to improve financial record keeping	2.00 (1.34)	2.06 (1.32)	0.063	17.10%	17.50%
m. Having more take home pay	2.62 (1.62)	2.41(1.37)	-0.206	29.70%	15.40%
n. My ability to help improve a particular area/neighborhood	1.77 (1.31)	1.96 (1.40)	0.192	20.00%	21.90%
o. My ability to hire staff	2.75 (1.67)	2.32 (1.31)	-0.429	29.40%	15.20%
p. My ability to retain staff	2.75 (1.58)	2.43 (1.45)	-0.321	32.40%	20.00%
q. My ability to spend more time with my family	2.06 (1.44)	1.87 (1.26)	-0.194	19.40%	16.70%
r. My ability to work lessS	1.81 (1.40)	1.75 (1.22)	-0.06	16.70%	13.90%