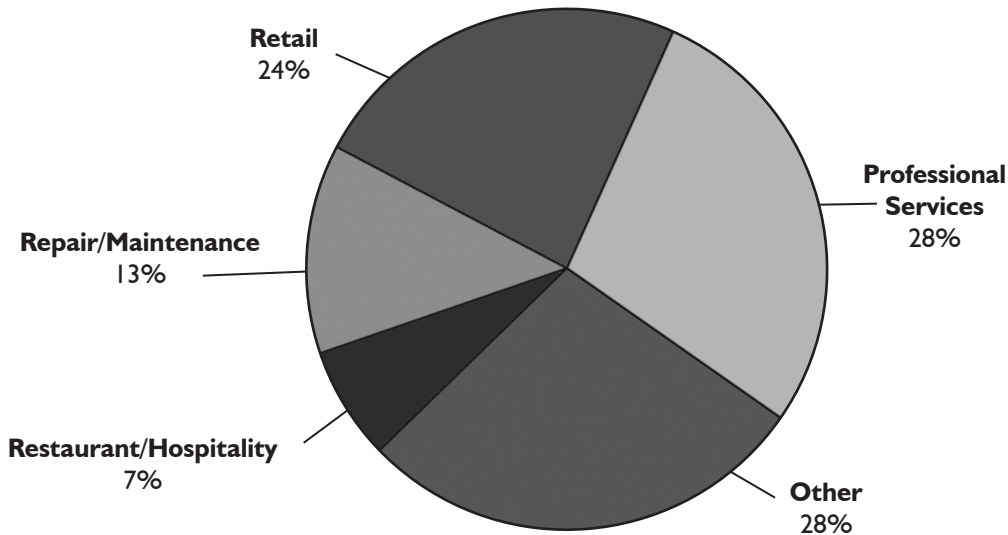


2009 SMALL BUSINESS SURVEY RESULTS

1,080 small business owners from across Minnesota weighed-in on a legislative survey evaluating the challenges and opportunities facing small businesses statewide. This overview lays out the results of that unscientific survey—input that will help inform lawmakers craft policies that will help make Minnesota an even better place to do business.

I. How would you describe your business?



2. Why did you choose to do business in Minnesota?*

Live in Minnesota	54%
Acquired an existing business	38%
Found a specific niche or clientele in Minnesota	15%
Personal reasons	12%
Minnesota provides a unique business environment	2%

3. Have you ever considered moving your business to another area of the state? If so, why?*

Have not considered moving	66%
Yes, to access a better small business environment	19%
Yes, to access better opportunities	6%
Yes, to expand a business	6%

4. Which actions have you taken in response to the recession?*

Froze or cut wages	55%
Cut back scheduled hours for employees	47%
Reduced purchase of outside contract services	41%
Froze or cut benefits	36%
Laid off workers	34%
Increased hours rather than hire new workers	20%
Increased contracting instead of adding staff	10%

*indicates respondents could choose more than one option, or that the question was open-ended

5. When you have questions about your business, what resources do you use?*

Consult a CPA	63%
Consult other business owners	57%
Consult an attorney	44%
Consult networking groups, including the Chamber of Commerce	31%
Use online resources	9%
Contact state agencies	8%
Consult a banker	8%

6. Has your business received any governmental assistance in the past five years?

Yes	16%
No	78%

If so, what kind of assistance did your business receive?*

SBA Loan	46%
Grants	14%
JobZ	9%
Energy Assistance	6%

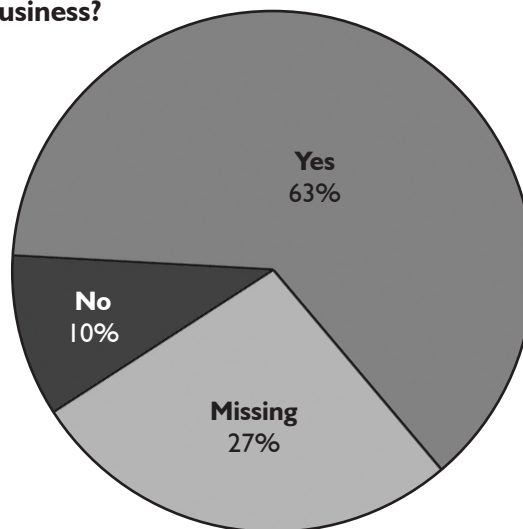
How did you find out about the program?*

Banker	29%
Business association	15%
SBA counseling	8%
Personal research	8%

7. What kind of government assistance do you think is most helpful?*

Loans and grants	32%
Tax assessment	28%
Less government interference	23%
Better regulations	8%
Online assistance to inform business owners of existing resources	6%

8. Does regulation impact your business?



**indicates respondents could choose more than one option, or that the question was open-ended*

How does regulation positively impact your business?*

Creates fairness, keeps industry honest, and increases business	64%
Regulation is good when it is necessary	24%
Regulation is good when it is consistent for all businesses	10%

How does regulation negatively impact your business?*

Regulation is harmful, inconsistent, and unchecked	39%
Makes business more expensive	29%
Confusing, divert important time and resources	21%

9. What specific taxes are barriers to starting or expanding a business in Minnesota?*

Property taxes	40%
Income taxes	24%
Taxes in general	13%
Sales taxes	13%
Taxes are not a problem.	12%
Corporate taxes	8%
Unemployment taxes	7%
Workman’s Compensation taxes	6%
Payroll taxes	5%

10. Which are the following are most important for the success of your business?

Healthy tax environment	21%
Close proximity to customers	17%
Well educated workforce.	16%
Good lending environment.	14%
Low-interest loans	12%
Good transportation system	10%
Government grants	5%
Business subsidies.	3%

11. Does Minnesota have a healthy lending market?*

No	60%
Yes	27%
Sometimes	5%

How difficult or easy is it for a small business to get a loan?*

There are too many requirements.	23%
Few banks are lending	17%
Having relationships and a history with the bank helps	16%
Banks are only lending to stable organizations	14%
SBA loans are difficult to get.	8%
Difficult to build a history or a relationships with lenders	8%
Small banks are lending, big banks are not.	6%

How could Minnesota’s lending market improve?*

Provide loans exclusively for small businesses	20%
Lower interest rates.	20%
Reduce government interference.	13%

**indicates respondents could choose more than one option, or that the question was open-ended*

Greedy lenders made irresponsible decisions	11%
Improve the economy	7%
Reduce taxes and regulation.	5%

12. Does your lender discuss state, federal, or local programs that may help your business?*

No	60%
Yes	27%
Sometimes	5%

13. Do you offer employer subsidized health insurance for your employees?

Yes	49%
No	45%

If yes, why?*

Keeps business competitive for recruitment of skilled employees.	53%
Moral obligation	44%
To receive a tax advantage	2%
It is required for the industry	2%

If not, why?*

Business is too small to afford it.	37%
Business has no employees.	14%
Insurance is too expensive	12%
Hires independent contractors	9%
Business provides extra wages to employees to buy insurance	7%
Business has only part-time or seasonal employees.	7%

14. Have you found purchasing health insurance for your employees difficult?

Yes	51%
No	39%

15. What can the state do to make purchasing health insurance easier for small businesses?

Increase competition between insurance providers	28%
Create a health insurance pool for small businesses	23%
Reduce government interference.	12%
Reduce the cost of health insurance.	12%
Reduce government mandates.	10%
Tort reform.	10%
Regulate insurance providers and eliminate pre-existing conditions requirements	4%
Create a single-payer system in Minnesota	4%
Comprehensive health insurance reform.	3%

16. What is the number one thing that the legislature could do to help small businesses succeed in Minnesota?

Tax reform	54%
Reduce or improve regulations	16%
Increase government lending	13%
Stop government spending.	12%
Health insurance reform	11%

**indicates respondents could choose more than one option, or that the question was open-ended*