

DOCUMENT RESUME

ED 328 669

CE 056 228

AUTHOR Jackson, John E.  
 TITLE The American Entrepreneurial and Small-Business Culture.  
 INSTITUTION Institute for Enterprise Advancement, Washington, DC.  
 PUB DATE 86  
 NOTE 48p.  
 PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC02 Plus Postage.  
 DESCRIPTORS Adults; \*Attitudes; \*Demography; \*Economic Development; \*Entrepreneurship; Labor Market; Labor Needs; Regional Attitudes; \*Small Businesses

ABSTRACT

A study examined public attitudes toward entrepreneurs and small business owners and people's perceptions of the entrepreneurial character and challenge. Information was gathered from two surveys, composed of three samples, conducted in 1985. Samples included: (1) 1,001 persons contacted through random telephone dialing; (2) 250 telephone interviews with people drawn randomly from Detroit; and (3) 503 random interviews drawn from Michigan exclusive of Detroit. Results were reported separately for each of the three samples and for geographic subregions within the United States. The survey found that nearly one-fifth of the national sample gave job creation a very high rating as a public issue and that people perceive large businesses as more important than new and small ones in creating jobs and economic opportunity. One portion of the survey found the perception that entrepreneurs and small business owners were less politically influential than persons holding other occupations such as union leaders, corporate executives, federal workers, teachers, and farmers. Most agreed that entrepreneurship gives more control over one's life, and a substantial number exhibited the risk-taking characteristics of entrepreneurs. Respondents in all samples perceived substantial barriers for blacks and women wanting to start a business. Throughout the discussion, responses to these questions were compared for differences related to regional residence, gender, race, nativity, income and education, size of employer, and experience as a business owner. Relatively little regional variation in attitudes was found. (KC)

\*\*\*\*\*  
 \* Reproductions supplied by EDRS are the best that can be made \*  
 \* from the original document. \*  
 \*\*\*\*\*

# Institute for Enterprise Advancement



An affiliate of  
National Federation of  
Independent Business

ED328669

# THE AMERICAN ENTREPRENEURIAL AND SMALL-BUSINESS CULTURE

John E. Jackson

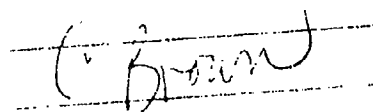
U.S. DEPARTMENT OF EDUCATION  
Office of Educational Research and Improvement  
EDUCATIONAL RESOURCES INFORMATION  
CENTER (ERIC)

This document has been reproduced as  
received from the person or organization  
originating it.

Minor changes have been made to improve  
reproduction quality.

- Points of view or opinions stated in this docu-  
ment do not necessarily represent official  
OEI position or policy.

PERMISSION TO REPRODUCE THIS  
MATERIAL HAS BEEN GRANTED BY



TO THE EDUCATIONAL RESOURCES  
INFORMATION CENTER (ERIC)

EO 56228

# The American Entrepreneurial and Small-Business Culture

John E. Jackson

*Professor of Political Science and Director, Taubman Program  
in American Institutions, Institute for Social Research, The  
University of Michigan.*

---

*This research was supported with grants to The University  
of Michigan from the Education and Research Foundation of  
the National Federation of Independent Business and from the  
Charles S. Mott Foundation. I want to thank Denny Dennis  
for his help and advice. The opinions expressed here are my  
own and not the positions of the supporting agencies and in-  
dividuals.*

A publication of the  
Institute for Enterprise Advancement

© 1986 Institute for Enterprise Advancement

# Table of Contents

<b>Preface</b> . . . . .	i
<b>Introduction</b> . . . . .	1
<b>The Importance of Job and Wealth Creation and of New and Small Business</b> . . . . .	4
National and Regional Means . . . . .	5
Individual Characteristics . . . . .	6
<b>Feelings Towards Different Occupations</b> . . . . .	10
National and Regional Means . . . . .	10
Individual Characteristics . . . . .	11
<b>Ratings of Political Influence</b> . . . . .	16
National and Regional Means . . . . .	16
Individual Differences . . . . .	17
<b>Characteristics of Business Owners</b> . . . . .	21
National and Regional Means . . . . .	22
Individual Differences . . . . .	23
<b>Ease of Starting a Business</b> . . . . .	26
National and Regional Means . . . . .	27
Individual Differences . . . . .	28
<b>Summary and Conclusions</b> . . . . .	32
<b>Bibliography</b> . . . . .	35
<b>Appendices</b> . . . . .	36
Appendix I. Importance Ratings for Opportunity and Job Creation . . . . .	36
Appendix II. Feelings Towards Occupation Groups . . . . .	37
Appendix III. Assessments of Political Influence . . . . .	38
Appendix IV. Perceptions of Business Ownership . . . . .	39
Appendix V. How Easy to Start Business? . . . . .	40
Appendix VI. Summary of Responses— National Sample . . . . .	41

# Preface

The research upon which *The American Entrepreneurial and Small Business Culture* is based was undertaken to quantify and benchmark American public attitudes toward small-business owners and entrepreneurs as well as its attitudes toward the values and conduct considered essential to small-business formation, operation, and growth. These were immodest objectives, particularly given the modest resources immediately available to accomplish them. Yet, the results achieved and reported in this publication are significant and constitute an important step in realizing our ambitions.

There are many reasons why quantifying and benchmarking American public attitudes toward small-business owners/entrepreneurs and their values/conduct is worthwhile. But assuming that public attitudes toward small business and entrepreneurs influence the degree of small-business and entrepreneurial activity, the following represent an abbreviated though illustrative list of these reasons: we need to know the extent to which group attitudes toward entrepreneurs and the lack of group entrepreneurial activity are related in order to help develop greater activity among groups which have shown a lesser propensity for it. The same is true for geographic regions or areas. If the "entrepreneurial spirit" is a national comparative advantage as some would argue, then we must be able to define it and its elements, and be able to measure them against those elements in other nations. We must know how these attitudes change over time in order to develop appropriate public policy, including educational initiatives, to encourage entrepreneurial growth and economic development. Of course, the small-business and entrepreneurial populations should know where they stand with the public and its varying segments in order to marshal support for their efforts or to target information.

For as successful as this research proved to be, it is obviously not the end. It is the beginning. More, much more needs to be done. Fortunately, subsequent efforts have already been planned and we look forward to their initiation.

The Institute for Enterprise Advancement and its predecessor (NFIB Research and Education Foundation) are pleased to have played a role in initiating and sponsoring this ground-breaking research.

Institute for Enterprise Advancement  
August, 1986

# Introduction

Entrepreneurship and small business ownership have become America's economic frontier in the late 20th Century. Highly visible events, widely quoted empirical studies, and extensive public policy debate on America's economic future have pushed these activities to the forefront of consciousness and made folk heroes out of the central characters. California's continued economic growth, New England's remarkable recovery, and the well publicized successes of a new generation of economic innovators that contrast sharply with the decline of older, less progressive industries are the visible evidence of this frontier. David Birch's arguments that a vast majority of all new jobs created were in small firms offered systematic support for these perceptions. (See Birch, 1979 and 1981, but also see Armington and Odle, 1982 and Schmenner, 1982 and 1984 for contrary evidence.) The ability and the propensity to innovate, leading to the creation of new industries, has been and will be America's comparative advantage in the increasingly competitive world economy. Finally, and maybe most significantly, promotion of these activities became a central part of many public policy agendas and their advocacy was not restricted to the traditional economic conservatives. (See Ross, et. al., 1984, for such an agenda and Ferguson and Ladd, 1986, and Jackson, 1986, for case studies of how these activities have become central to the policies of two traditionally liberal Democratic governors.)

In spite of this public attention and debate, we have little systematic evidence of how entrepreneurs and small business owners are perceived by the mass American public and by different subgroups within the American public. What status and respect are accorded those who start and manage successful businesses? Are they seen as central to efforts to invigorate the economies of older, more mature regions? Do people see the opportunity to

start a business as a chance to improve one's economic position? And, how hard do people believe it is to start a successful enterprise? Answers to these questions will be useful to economic policy makers hoping to promote economic growth and opportunity through the creation of new businesses. They will also be helpful to organizations encouraging individuals to start their own businesses, as it will indicate what types of people and what local areas are most supportive of entrepreneurial and small business activity. Finally, the results will be helpful to people who are trying to obtain legislation that is helpful to entrepreneurs and small business owners. Additional information comparing these attitudes over time and across countries will provide greater insight into the American entrepreneurial culture and its role in the country's continued economic progress.

This study examines public attitudes towards entrepreneurs and small business owners and people's perceptions of the entrepreneurial character and challenge. Information comes from two separate surveys, comprised of three distinct samples, conducted in the Fall, 1985.<sup>1</sup> The first sample consists of 1001 individuals drawn randomly throughout the United States. (All interviewing was done by telephone and sampling was done by random digit dialing.) The second sample is 250 interviews drawn randomly from the City of Detroit and the third is 503 random interviews drawn from the state of Michigan, exclusive of Detroit. Interviews with these last two samples were conducted as part of the Detroit News Michigan Survey. Results are reported separately for each of the three samples, and for geographic subregions within the United States. Interviews with Michigan residents that are part of the national sample are included with the midwest region in that sample, not with the Michigan residents in the Michigan part of the study. The advantage of having these two separate studies is that we have a total of 1753 individuals to analyze in terms of the individual social and demographic correlates with different attitudes.

This report is organized into several sections, based on the content of the survey. The first section analyzes public perceptions of the importance of job creation as a public issue and how important new, small and large businesses, respectively, are in creating jobs and economic opportunity. The next section examines people's feelings towards entrepreneurs and small business owners, relative to other economic actors such as union leaders, corporate executives, federal workers, teachers, and farmers. In this section, people are also asked to assess whether entrepreneurs and small business owners, relative to these

---

<sup>1</sup> Interviewing was done between Oct. 1, 1985 and Dec. 20, 1985.



same other actors, have too much or too little political influence. The third section discusses individual responses to a number of questions about perceptions of small business ownership and feelings about having a daughter and a son start a business. The final section analyzes respondent's perceptions of how hard it is for them and for different types of people to start their own business and to have it succeed, and whether they would use savings or borrow money to start a business. Throughout the discussion, responses to these questions are compared for differences related to regional residence, gender, race, nativity, income and education, size of employer, and experience as a business owner.

# The Importance of Job and Wealth Creation and of New and Small Business

The first set of questions asked respondents about the importance of creating economic opportunity and the importance of different types of businesses in creating these opportunities. (Question titles are listed to the left of each question.)

Opportunity	"Relative to all other issues that the state and federal governments in the United States face today—how would you rate the importance of increasing economic opportunity for people, such as creating jobs and providing greater wealth?"
Entrepreneur	"Some people start their own business with the intention of creating a rapidly growing enterprise . . . how important do you think such people are in the effort to create new jobs and economic opportunities?"
Small Business	"Many other people start their own business with the intent of owning and managing their own firm even though it may not become very large . . . how important do you think these small businesses are in the effort to increase economic opportunities?"
Large Company	". . . how important do you think very large companies are for increasing economic opportunities?"

Respondents were asked to rate importance on a 0 to 100 scale, where 0 indicates no importance, 50 indicates average importance, and 100 indicates extreme importance.

Overall, people give high importance to the problem of increasing economic opportunity. Table 1 gives the mean importance attributed to this problem by people nationally and in Michigan and Detroit. The national mean is over 75, which compared to an average importance of 50, suggests that people think creating economic opportunities is an important public issue. Only in the west and in Michigan and Detroit is the mean below 75. The rating by Michigan and Detroit residents is surprising, given how those areas' economies were devastated by the national recession of the early 1980's. We can further indicate the importance that people place on creating economic opportunity by noting that a quarter of the respondents gave this problem an importance rating of 100, the maximum possible. Even though the Detroit mean was below 75, 36% of Detroiters gave a rating of 100 to the importance of improving economic opportunity.

### National and Regional Means

In assessing the importance of different types of enterprises in creating economic opportunity, large corporations are ranked as most important by respondents in all three samples and in all regions but the midwest. The average importance given to large companies among respondents in the national sample was 75.0, which again is a high rating. By contrast, entrepreneurs received an average importance of 69.7 and small business owners an average importance of 71.7. Thus, contrary to much of the empirical evidence provided by Birch and others, the public rates entrepreneurs as being least important in creating economic opportunity and perceives large companies as being the most important. These rankings are consistent with evidence if people are implicitly including the expected salary and security of any job in their calculation of economic opportunity, as the wages/salaries paid by large corporations are higher than those typically paid by new and small businesses and large firms often offer more job security.

**TABLE 1. Mean Importance Ratings<sup>a</sup>**

Importance of:	East	Midwest	South	West	Michigan	Detroit
Economic opportunity	75.94	75.47	76.46	73.01	71.07	74.00
Entrepreneurs	69.38	71.15	70.23	66.85	72.87	69.05
Small business owners	69.28	73.19	71.25	71.71	74.54	72.44
Large corporations	76.90	72.60	77.58	71.07	77.00	77.15

a. Scaled so that 0 = no importance, 50 = average importance, and 100 = extreme importance.

The rankings among the regional and the Michigan and Detroit samples were very similar, with the Michigan respondents giving slightly higher ratings to all enterprises, while western respondents gave lower ratings to all groups. People in the east and south ranked entrepreneurs and small business owners similarly and well below large companies in their importance at providing economic opportunity. Westerners gave small business owners and large companies an equal importance rating while downplaying the role of entrepreneurs. Only midwestern respondents did not perceive much difference in the importance of the three organizations. Overall, respondents rate entrepreneurs as important sources of economic opportunity, but not as important as small business owners, and neither of these agents are seen as important as large companies.

## Individual Characteristics

We can better understand these responses by examining how the importance attached to economic opportunity and to the three sources of economic opportunity vary by region and among demographic groups. Responses were related to variables identifying the respondents' region, (defined as East, South, Midwest, and West according to census region, and as Michigan and Detroit),<sup>2</sup> and a number of demographic variables. (The demographic variables are shown in Appendix I and will be used throughout the rest of the study.) The analysis allows us to estimate the separate effects of each demographic factor, holding the other variables constant. Thus, we can see the relationship between attitudes and race, independent of income, and the regional differences after allowing for regional variations in individual characteristics. Appendix I shows the estimated equations relating responses to the importance questions to the regional and demographic variables. The small tables in this section are taken from this appendix.

*Demographic Differences.* Females, racial minorities, native born, and younger respondents placed more importance on creating economic opportunity than did the opposite of each pairing. (See Table 2.) On the 0-100 scale used to assess importance, the magnitude of these differences ranged from 3.1 for natives, to 3.6 for females and for a twenty five year old vis-a-vis a sixty five year old, to 3.9 for minorities.

There was less variation in the importance rating of different enterprises in creating opportunity than in the importance of increasing these opportunities. Females at-

---

<sup>2</sup> Respondents in the national sample residing in Michigan are treated as part of the Midwest sample in the national study to maintain representativeness. For the remainder of the paper, "Michigan" refers to Michigan respondents outside the city of Detroit and "Detroit" refers to residents of that city.

tached more importance to large companies than did males and less importance to entrepreneurs and small business owners. The importance attached to large companies and particularly to entrepreneurs, but not to small business owners, declined with age. A twenty five year old is expected to give entrepreneurs a rating that is 5.1 points higher than that of a sixty five year old. The importance attached to all three types of enterprises increased with income, with large companies showing the most rapid increase. The only substantial difference related to schooling was that college educated respondents gave less importance to large companies than did those with less schooling.

*Occupational Differences.* The second set of comparisons concerns factors related to respondents' employment, such as size of organization, whether they worked in an educational or public organization, and if they currently own or previously owned a business.<sup>3</sup> (See Table 3.) Of these variables, only size is related to rating the importance of creating economic opportunity, with people employed in larger organizations thinking this a more important issue. Given the scaling of this variable, the expected difference in rating is 3.0 between someone employed in an organization with 10 employees, and a similar person in an organization with 15,000 employees.

In rating the importance of different types of enterprises in creating opportunity, size of employer's organization was negatively related to the importance attributed to entrepreneurs and small business owners and positively

**TABLE 2. Demographic Differences in Importance Ratings**

Variable	Economic Opportunity	Entrepreneurs	Small Business	Large Companies
Age <sup>a</sup>	-3.6	-5.1	1.7	-2.8
Female	3.6	-1.0	-1.3	3.8
Minority	3.9	1.0	-0.6	2.4
Native	3.1	-0.9	0.4	0.9
Income <sup>b</sup>	-1.1	2.4	2.8	3.9
Schooling <sup>c</sup>	1.5	0.5	-0.8	-3.3

a. Entry is the rating of a 65 year old minus the rating of an identical 25 year old.

b. Entry is the rating of someone earning \$70,000 minus the rating of an identical person earning \$10,000.

c. Entry is the rating of someone with a college degree minus the rating of an identical person with 10 years of schooling.

<sup>3</sup> Other analyses included whether the person was retired, unemployed, employed in manufacturing, or employed in retailing and wholesaling and there were no discernible attitudinal differences related to these factors, so they have been omitted.

**TABLE 3. Occupational Differences in Importance Ratings**

Variable	Economic Opportunity	Entrepreneurs	Small Business	Large Companies
Size <sup>a</sup>	3.0	-1.5	-1.6	1.4
Educator	0.3	-4.7	-2.8	3.2
Public sector	-0.2	4.1	3.4	2.0
Own business	-0.3	2.6	6.0	-2.2

a. Entry is rating of someone employed in an organization with 15,000 employees minus rating of someone working in an organization with 10 employees.

related to the importance of large companies in creating economic opportunities. People employed in education attributed less importance to entrepreneurs and small business owners and more importance to large companies than those not in education. Lastly, those who owned their own businesses gave higher ratings to entrepreneurs and small business owners, particularly the latter, and lower ratings to the importance of large companies, as might be expected.

*Regional Differences.* The last set of comparisons concern differences by region of the country, controlling for the previous demographic and occupational factors. (See Table 4.) The model is specified so that the regional coefficients indicate the deviations of the average response for that region from a national mean. The Michigan and Detroit coefficients are also deviations from this national mean, but do not contribute to the estimation of that national mean, which is based solely on the responses in the national sample. The important advantage of these analyses over the presentation of the means in Table 1 is that we have now controlled for demographic differences among the regions and local areas. For example, we found that ratings of the importance of creating economic opportunity varied by age, gender, race, and nativity. As these charac-

**TABLE 4. Regional Differences in Importance Ratings<sup>a</sup>**

Variable	Economic Opportunity	Entrepreneurs	Small Business	Large Companies
East	1.3	0.4	-1.8	2.4
Midwest	-0.2	1.9	1.9	-1.8
South	0.8	0.9	-0.2	3.0
West	-2.3	-3.2	0.1	-3.7
Detroit	-1.7	0.8	2.2	2.7
Michigan	-3.5	3.9	3.1	2.6

a. Entries are expected difference between respondent, the specified subsample and the national mean.

teristics are likely to vary among regions of the country, it is important to control for these differences when we then talk about what effect "region" has on attitudes.

Only Michigan respondents differ significantly from the national mean in assessing the importance of creating economic opportunity. These results confirm the difference cited previously. Among the national regions, the largest difference is the greater importance attached to economic opportunity in the east than in the west.

There are important, and surprising, regional differences in the importance given to different entities in creating economic opportunity. These results clearly show the importance of our multivariate analysis, in that controlling for individual demographic characteristics significantly alters some of the regional differences shown by the simple means in Table 1. Midwesterners rate entrepreneurs and small business owners as significantly more important than large companies, while residents of the east and south rank them in the opposite order. Easterners are particularly hard on small business owners, rating them below entrepreneurs and well below large companies. Western residents give an average rating to small business owners and significantly below average rankings to both entrepreneurs and large companies. These results are somewhat surprising, given the importance of entrepreneurial and small business activity in the New England recovery, though this success is confined to that subregion and does not extend to the whole Mid-Atlantic area. The results are not surprising for the south, which seems to be more dependent upon a branch plant development strategy than other regions.

Michigan and Detroit residents rate all sources more highly than do national respondents. However, in their relative rankings for each entity, Michigan residents outside Detroit are similar to other midwesterners in rating entrepreneurs as more important than large companies in creating economic opportunity. Michiganders also rated small businesses as more important than large companies, though not as important as entrepreneurs. Detroiters, by contrast, give the highest rating to large companies, with small businesses a close second and entrepreneurs third. The Detroit result is not surprising, given the prominence of large corporations in that area's economy. The results for Michigan, outside Detroit, are surprising however, given the dependence of that state's economy on large durable manufacturers.



# Feelings Towards Different Occupations

The next section of the study examines people's feelings towards entrepreneurs and small business owners, relative to executives in large corporations and other occupations. We want to elicit generalized feelings towards different occupational groups in our economy, without regard to specific roles and functions. The question asked is:

Feelings

"Now we are going to . . . ask you to indicate your feeling toward people in different occupations. Again the scale runs from 0 to 100. On this scale, 0 indicates a very unfavorable feeling, 50 indicates neither favorable nor unfavorable feelings, and 100 indicates an extremely favorable feeling. Using any number on this scale, where would you place \_\_\_\_\_?"

The individuals and groups asked about are:

Teachers	Entrepreneurs
Union Leaders	Executives
Small Business Owners	Federal Government Workers

## National and Regional Means

The means of the feelings ratings, shown in Table 5, reveal which occupations are in favor with the American public and which are not. Nationally, teachers and farmers receive by far the highest ratings while union leaders are the lowest rated individuals. Interestingly, entrepreneurs and small business owners are the third and fourth highest rated occupations among those included, ranking higher than federal government workers and corporate executives and almost as high as teachers and farmers. By contrast, Michigan residents do not rate teachers as highly as those in the national sample do, but otherwise the Michigan means



**TABLE 5. Mean Ratings of Feelings Towards Occupations<sup>a</sup>**

Feelings Towards:	East	Midwest	South	West	Michigan	Detroit
Teachers	77.53	81.86	83.19	81.06	75.90	76.22
Entrepreneurs	70.24	71.89	72.38	71.39	74.07	74.40
Union leaders	46.18	46.72	44.96	42.75	48.71	61.87
Company executives	58.80	56.41	61.62	54.10	61.10	61.79
Small business owners	74.24	76.04	75.01	74.30	74.19	71.10
Federal workers	56.44	57.50	61.62	54.87	55.35	61.54
Farmers	80.34	81.76	82.39	80.25	80.80	83.21

a. Responses are scaled so that 0 = very unfavorable, 50 = neither favorable nor unfavorable, and 100 = extremely favorable.

are within three points of the national means. Detroit residents rate union leaders much higher than either of the other two samples, which is not surprising given its tradition as a union area and the prominence of the United Auto Workers. Detroit respondents rate teachers about the same as other Michigan residents, which is lower than the national sample. Other than those two groups, Detroiters' ratings are similar to those of the rest of the population.

We analyzed the differences in individual ratings in the same manner that we examined individual differences in importance, with one addition. We included the four importance measures analyzed in the previous section as additional explanatory variables. The results of this analysis indicate whether those who place more importance on creating economic opportunity rate entrepreneurs, or small business owners, or union leaders more highly than those who do not. And, whether those who think entrepreneurs are important in creating economic opportunities rate these occupations more highly, and so on. These effects are in addition to the differences derived from individual demographic and regional characteristics. (The results of the multivariate analysis are presented in Appendix II and all the tables presented in this section are taken from this appendix.)

*Importance Ratings.* In general, those who say economic opportunity is an important issue and who think any of the agents are important sources of opportunity exhibit higher feelings towards all the occupations questioned than people who attach a lower importance to each item. (See Table 6.) The largest coefficients are for those occupations directly connected to an importance question, e.g. those who think small business owners are important in providing opportunity rate these people highly, and similarly for those who think entrepreneurs and large corporations are important sources of opportunity. Interestingly, the ratings of teachers and farmers are positively related to all four importance measures, suggesting that feel-

## Individual Characteristics

**TABLE 6. Ratings of Feelings Towards Occupations and Economic Importance**

Importance of: <sup>a</sup>	Feelings Towards:						
	Teachers	Entre-preneurs	Union Leaders	Execu-tives	Small Bus. Own.	Federal Workers	Farmers
Opportunity	8.3	3.3	4.4	-1.2	6.3	2.9	8.3
Entrepreneurs	6.0	22.6	2.8	4.5	5.8	5.7	12.7
Small business	10.5	13.7	-2.5	-1.8	36.8	3.0	14.1
Large company	10.4	4.8	14.6	25.4	11.1	16.9	5.8

a. Entries are the expected feeling difference between someone who gave an importance rating of 100 and an identical person who gave a 0 rating.

ings towards these occupations are linked to concern about economic matters in a very broad and inclusive manner.

Interestingly, entrepreneurs receive higher ratings from those who think small businesses are important sources of opportunity than do small business owners from those saying entrepreneurs are important. This may result because entrepreneurs are perceived as a set of small business owners, but small business owners are not necessarily perceived as entrepreneurs in the definition used in this study. (Recall that the questions about entrepreneurs continually referred to them as people starting enterprises in the hopes they would become large firms.) This perception may also explain why those thinking that large corporations were important sources of opportunity rated entrepreneurs but not small business owners higher than people who did not think large corporations were important. Also of interest, those who attached high importance to creating economic opportunity rated small business owners, but not entrepreneurs, higher than those who did not feel this was an important problem.

Surprisingly, the perception that large corporations are important in creating jobs and wealth is associated with higher ratings for union leaders. One explanation for this result is that people may see large organizations, regardless of function, as more important economic actors than small organizations. An alternative explanation for this relationship lies in the failure to ask if respondents were union members. Union members may see large corporations as more important in creating jobs than do non-members, as large companies are more likely to be unionized. This implies a positive correlation between union membership and responses to the question about the importance of large companies in creating economic opportunity. With the omission of a union membership variable from the regression equation for feelings towards union leaders, the measure of the importance attributed to large companies in creating jobs will proxy its effects, leading to the observed positive coefficient. Unfortunately, this must remain

as speculation, given the oversight in designing the survey.

**Demographic Differences.** Ratings of the different occupation were strongly related to demographic differences. (See Table 7.) Income had the most consistently significant effects on feelings towards different occupations. As family income increased, the ratings of entrepreneurs increased while the ratings of union leaders, government workers, and farmers decreased. Surprisingly, there was little relationship between income and the ratings of corporate executives and small business owners. Increased education is associated with higher ratings for teachers, entrepreneurs, and executives and decreased ratings for union leaders, government workers, and farmers.

Females, relative to males, give higher rankings to all occupations except small business owners, but particularly to union leaders, federal government workers, farmers, and corporate executives. Minorities give significantly higher ratings to union leaders, executives, and federal workers. These results suggest that blacks and hispanics, relative to whites, are most supportive of or feel best served by large organizations regardless of traditional political roles. Lastly, there was little systematic variation in ratings by age, other than feelings towards corporation executives which increased with age.

**Occupational Differences.** The size and nature of the organization in which people work primarily affects the ratings only of the directly related occupations—a self interest effect if you will. (See Table 8.) Those employed in educational organizations gave substantially higher ratings to teachers than did other respondents, those employed in the public sector gave much higher ratings to federal government workers, and the larger one's employing organization, the lower the rating of small business owners. The only exception to this pattern was the higher rating those in education gave to government workers (a clear potential overlap between educators and public employees), and to

**TABLE 7. Ratings of Feelings Towards Occupations and Demographic Differences**

Variable	Feelings Towards:						
	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Farmers
Age <sup>a</sup>	-1.6	-0.5	-1.5	5.0	2.0	2.8	-1.3
Female	1.8	0.3	6.0	2.1	-1.3	4.3	2.2
Minority	2.0	0.8	9.0	5.7	-1.3	6.8	2.1
Native	1.9	1.0	-1.2	-2.4	-0.6	2.9	3.4
Income <sup>b</sup>	-1.7	4.3	-4.4	1.4	2.1	-5.2	-4.5
Schooling <sup>c</sup>	3.5	3.4	-4.4	2.1	0.1	-3.2	-2.3

a. Entry is the rating of a 65 year old minus that of an identical 25 year old.

b. Entry is the rating of someone earning \$70,000 minus that of an identical person earning \$10,000/yr.

c. Entry is the rating of someone with a college education minus that of an identical person with 10 years of schooling.

farmers. Finally, those who owned their own business gave high ratings to small business owners and to entrepreneurs, particularly the latter, and low ratings to teachers, union leaders, and government workers. Those who owned a business previously, but not currently, did not seem very different from those who never owned a business.

*Regional Differences.* Regional variations in feelings for different occupation groups are generally small. (See Table 9.) Entrepreneurs receive relatively higher ratings from Detroit residents than from the national population while small business owners receive lower ratings from Michigan and Detroit respondents than from the national sample, other things being equal. (The "other things being equal" includes the positive effect of rating entrepreneurs and small business owners as important sources of opportunity, which themselves were higher among Michigan and Detroit respondents.) Michigan and Detroit residents, along with those in the east, gave teachers much lower ratings than did other individuals. These same three groups, and particularly Detroit residents, along with the midwestern respondents, gave union leaders higher ratings than southern and western residents, suggesting that firms looking for a non-union environment are likely to continue to find it in the south and west. Company executives receive their highest ratings from residents in Michigan and in the

**TABLE 8. Ratings of Feelings Towards Occupations and Occupational Differences**

Variable	Feelings Towards:						
	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Farmers
Size <sup>a</sup>	0.7	-0.2	0.5	-0.2	-0.9	0.5	-0.1
Educator	8.3	0.6	4.2	1.9	2.0	6.1	5.2
Government	1.3	-0.9	3.0	-1.6	2.1	12.9	0.7
Own business	-3.3	3.4	-4.5	-2.3	2.3	-4.4	-1.9

a. Entry is the ratings difference between someone employed in an organization with 15,000 employees and someone in a 10 person organization.

**TABLE 9. Ratings of Feelings Towards Occupations and Regional Differences**

Variable	Feelings Towards:						
	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Farmers
East	-3.3	-1.1	1.2	0.1	-0.1	-0.5	-0.2
Midwest	1.0	0.1	1.8	-0.4	0.5	0.0	-0.1
South	1.6	0.7	-1.7	2.9	0.3	2.2	0.3
West	0.7	0.3	-1.3	-2.6	-0.7	-1.7	0.0
Detroit	-5.5	3.4	11.8	1.0	-3.5	0.2	0.6
Michigan	-4.9	1.4	4.4	2.7	-2.0	-1.7	-0.5

south. The latter effects are present even after we control for the importance ratings people gave large companies in creating economic opportunity, which were higher for southern and Michigan residents. Farmers were the only ones with no regional variation in ratings.

# Ratings of Political Influence

The next set of questions elicit respondent's assessments of whether people in the above occupations and whether foreign corporations operating in the U. S. had too much or too little political influence, as indicated by the following question:

Influence

"Now we want to ask your perception of whether or not certain groups have too much or too little political influence . . . would you say that \_\_\_\_\_ have much too much political influence, too much, about the right amount, too little, or much too little political influence?"

The responses are:

1. = Much Too Much Influence,
2. = Too Much Influence,
3. = About The Right Amount of Influence,
4. = Too Little Influence, and
5. = Much Too Little Influence.

The higher the score, the more influence the respondent thinks the group should have, and thus the more favorable we interpret the person's feelings to be towards this group. Since we are asking specifically about the group's political role, we should not expect a perfect correlation between responses to the broad feelings questions just discussed and to the influence questions. It is possible to feel very favorable towards a group generally yet not feel they should have more political influence. The responses should not be in total opposition however.

## National and Regional Means

The means of the responses to each question for each of our samples is shown in Table 10. There are some significant shifts in the placements of the groups on the two



**TABLE 10. Mean Perceived Political Influence<sup>a</sup>**

Influence of:	East	Midwest	South	West	Michigan	Detroit
Teachers	3.38	3.47	3.61	3.55	3.18	3.34
Entrepreneurs	3.27	3.30	3.27	3.44	3.26	3.25
Union leaders	2.10	2.13	2.22	2.06	2.09	2.36
Corporate executives	2.02	2.12	2.20	2.05	2.21	2.19
Small business owners	3.73	3.80	3.75	3.80	3.68	3.67
Federal Gov't workers	2.69	2.66	2.77	2.79	2.70	2.93
Foreign corporations	2.07	2.06	2.12	2.21	2.22	2.33
Farmers	3.92	3.93	3.96	3.95	3.88	3.85

a. Responses scaled so that 1 = much too much influence, 3 = about the right amount of influence, and 5 = much too little influence.

scales. Farmers are again at the top of the list in all three samples, with the average person seeing them as having too little influence. Significantly, small business owners are the second highest ranked group in terms of warranting more influence, coming close to the ranking given farmers, for all three samples. In the national sample, teachers are seen as meriting more political influence than entrepreneurs, but in the Michigan and Detroit samples, the rankings of the two groups are very close, and would essentially constitute a tie for third place. Union leaders, corporate executives, and foreign companies operating in the United States are judged to have too much political influence. In the national sample, union leaders and executives are tied at the bottom, among Detroit residents executives finish last, and in out-state Michigan union leaders are judged as the group with too much influence. A simple summary of these relative assessments of who has too much and who has too little political influence strongly suggests that overall, people believe that large organizations, both corporate and union, are too influential while smaller, more dispersed groups such as small business owners, farmers, and entrepreneurs have too little influence. The exception to this generalization is the middle ranking of federal government workers and the perception that they are close to having the right amount of influence.

The estimated relationships explaining individual's ratings of political influence include the same four sets of variables used to analyze individual feelings about these occupations. The results of these analyses are shown in Appendix VII.

*Importance Ratings.* Evaluations of the importance of creating economic opportunity and of the role of different agents in creating these opportunities had little bearing on assessments of political influence. (See Table 11.) The obvious connections were evident—those who felt entrepreneurs were important said entrepreneurs had too

## Individual Differences

little influence and that executives in large companies had too much; those who rated small business as important said small business owners had too little influence; and those who felt large companies were important felt executives had too little influence and that small business owners had too much. Beyond these associations, the only other large relations were that people who thought it important to create opportunity thought foreign corporations had too much influence and that farmers had too little and those who thought small business was an important source of opportunity thought union leaders had too much influence.

All the effects just enumerated were relatively small, and contrast with the effects of these variables on general feelings, which were significant in most cases. Even the most significant coefficients indicated that importance ratings had only a meager effect on assessments of political influence. For example, the two largest coefficients indicate that the maximum difference, in the importance rating, which is 100 points, only translates into a 0.3 point difference in the political influence scale, which runs from one to five. Thus, we may conclude that perceptions of the importance of different agents' economic contribution has little effect on evaluations of political influence.

*Demographic Differences.* Evaluations of political influence are strongly related to demographic differences. (See Table 12.) Older, relative to younger, respondents would increase the influence of union leaders, corporate executives, and federal workers and decrease that of teachers, farmers and small business owners. As income increases so does the perception that entrepreneurs have too little and that federal workers, teachers, and union leaders have too much influence. Increased education is associated with wanting comparatively more influence for teachers, entrepreneurs, government workers, and foreign companies and less influence for union leaders and farmers. Minorities see union leaders and teachers as having too little influence and farmers as having too much, but do not differ from non-minorities on their assessments of other groups. Gender differences are almost non-existent, with

**TABLE 11. Assessments of Political Influence and Economic Importance**

Importance of:	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Foreign Companies	Farmers
Opportunity	0.06	-0.04	0.04	-0.07	-0.02	-0.03	-0.22	0.15
Entrepreneur	0.06	0.27	0.02	-0.18	0.06	0.04	0.12	0.01
Small bus.	-0.07	0.12	-0.16	-0.09	0.23	-0.07	-0.14	0.07
Large comp.	-0.06	-0.12	0.02	0.34	-0.20	0.07	-0.03	-0.04

a. Variable is the importance scale from earlier section divided by 100.



the exception of teachers who are perceived by females, relative to males, as having too little influence. Lastly, foreign born or those of foreign born parents believe that teachers, entrepreneurs and farmers have too much influence and that foreign companies have too little. Natives and non-natives do not differ in assessing the political influence of the other groups.

**Occupational Differences.** Individuals' occupation and work place characteristics had relatively little effect on whether groups were perceived as having too much or too little political influence. (See Table 13.) Not surprisingly, those in education and government thought that teachers and federal workers, respectively, had too little influence. What is surprising is the absence of a significant relationship between owning a business and the assessment of the influence exerted by small business owners and by entrepreneurs. Government workers thought entrepreneurs had too much influence and educators thought the same about corporate executives. Those who owned their own businesses differed from non-owners only in thinking that union leaders had too much influence. Finally, the larger the size of the person's employer, the more likely they were to say that small business owners and foreign corporations had too much influence and that federal workers had too little.

**TABLE 12. Demographic Differences in Assessments of Political Influence**

Variable	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Foreign Companies	Farmers
Age <sup>a</sup>	-0.25	0.07	0.12	0.14	-0.14	0.33	0.08	-0.19
Female	0.24	-0.05	-0.02	0.03	0.02	-0.01	-0.02	0.09
Minority	0.12	-0.09	0.37	-0.04	0.04	0.09	0.06	-0.14
Native	0.10	0.11	0.07	0.02	0.03	0.06	-0.12	0.22
Income <sup>b</sup>	-0.13	0.13	-0.09	0.06	0.05	-0.16	0.07	-0.04
Schooling <sup>c</sup>	0.15	0.19	-0.19	-0.01	0.04	0.19	0.19	-0.08

a. Entry is the rating of a 65 year old minus that of an identical 25 year old.

b. Entry is the rating of someone earning \$70,000 minus that of an identical person earning \$10,000/yr.

c. Entry is the rating of someone with a college education minus that of an identical person with 10 years of schooling.

**TABLE 13. Occupational Differences in Assessments of Political Influence**

Variable	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Foreign Companies	Farmers
Size <sup>a</sup>	0.08	-0.04	0.06	0.07	-0.11	0.21	-0.16	0.01
Educator	0.15	-0.02	0.04	-0.20	0.00	0.07	0.11	0.05
Government	-0.01	-0.25	-0.01	-0.07	-0.04	0.41	-0.03	0.11
Own business	-0.07	0.09	-0.11	0.08	0.05	-0.02	-0.06	-0.00

a. Entry is the ratings difference between someone employed in an organization with 15,000 employees and someone in a 10 person organization.

*Regional Differences.* Regional assessments of political influence did not always parallel the regional variations in feelings ratings. (See Table 14.) Respondents in the Michigan sample said that entrepreneurs, small business owners, and teachers had too much influence and that corporate executives and foreign companies had too little influence. Detroiters only differed from the national sample in thinking that federal workers and foreign companies warranted more influence and teachers should have less. The strong support union leaders received in the Detroit and Michigan samples did not translate into perceptions that they had too little influence. The only regional differences in the national sample concerned teachers, entrepreneurs and executives. Easterners thought teachers should have a little less influence while southerners thought they deserved a little more. Westerners thought entrepreneurs should have more influence and southerners thought the same of executives. There were no regional variations in the evaluations of the influence exerted by small business owners, farmers, federal workers, and union leaders.

**TABLE 14. Regional Differences in Assessments of Political Influence**

Variable	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Foreign Companies	Farmers
East	-0.10	-0.05	0.00	-0.08	-0.02	-0.04	-0.06	0.01
Midwest	-0.03	-0.03	-0.01	0.02	0.02	-0.06	-0.04	-0.03
South	0.09	-0.04	0.05	0.08	-0.01	0.03	0.02	0.01
West	0.04	0.12	-0.04	-0.03	0.01	0.07	0.08	0.01
Detroit	-0.14	0.01	0.04	0.06	-0.06	0.17	0.20	-0.00
Michigan	-0.27	-0.09	0.00	0.10	-0.07	-0.01	0.09	-0.04

# Characteristics of Business Owners

The next set of questions are a broad series asking people about characteristics associated with starting or owning ones own business and whether they would approve or disapprove if their daughter or son started her/his own business. The precise questions asked are:

Improve	"The ability to successfully start and own a business is often seen as an important way for people to improve themselves. How much do you agree or disagree with this statement?"
Control	"People who own their own business have more control over their lives than people who work for someone else. How much do you agree ... ?"
Compete	"People should not leave a company in order to start their own business if it will compete with their old employer. How much do you agree ... ?"
Avoid Failure	"It is important to avoid starting a business because there is a chance it might fail. How much you agree ... ?"
Good Time	"The next two years will be a good time to start a new business. How much do you agree ... ?"
Daughter	"If you had a daughter, how would you feel about her starting a small business? Would you strongly approve, approve, disapprove, or strongly disapprove?"
Son	If you had a son, how would you feel about him starting a small business? Would you strongly approve, ... ?"

The responses to these questions are again coded on a one to five scale, with:

1. = Strongly Agree (or Strongly Approve),
2. = Agree (or Approve),
3. = Neither Agree nor Disagree (or Neither Approve nor Disapprove),
4. = Disagree (or Disapprove), and
5. = Strongly Disagree (or Strongly Disapprove).

These questions examine public perceptions of characteristics normally ascribed to small business owners and entrepreneurs. If small business ownership is perceived as a means of self improvement and as a way to have more control over ones life, people are likely to see ownership as an important social activity, in addition to its economic benefits. Fear of failure, and the resulting risk aversion, are frequently seen as an impediment to change of any type. Information about perceptions of opportunity, of control, and lack of a fear of failure will help identify which people are likely to start their own business and are supportive of those who do. By relating the responses to these questions to answers to other questions we can estimate how significant a role these perceptions play in other decisions related to entrepreneurship. Approval or disapproval of a daughter or son starting their own business is a further indicator of how economically and socially important the respondent perceives ownership to be.

## National and Regional Means

The means among the samples to these questions are shown in Table 15. Respondents agree that owning a business is a way to improve oneself, disagree that one should not start a business that competes with the previous employer and that one should not start a business because it might fail, and are on the agree side of unsure about whether business owners have more control over their lives and whether the next two years would be a good time to start a business. Lastly, respondents, on average,

**TABLE 15. Mean Assessment of Attributes of Ownership<sup>a</sup>**

Attribute	East	Midwest	South	West	Michigan	Detroit
Way to improve self	1.94	1.91	2.04	1.98	2.05	2.04
Owners have more control	2.38	2.50	2.38	2.62	2.63	2.46
Not compete with employer	3.90	3.77	3.71	3.83	3.82	3.80
Important to avoid failure	3.58	3.58	3.64	3.70	3.58	3.47
Good time to start	2.73	3.04	2.82	2.71	2.66	2.64
Disapprove daughter start	1.91	1.93	1.90	1.83	1.93	1.96
Disapprove son start	1.76	1.84	1.79	1.75	1.83	1.84

a. Responses scaled so that 1 = strongly agree or strongly approve, 3 = Neither agree nor disagree or neither approve nor disapprove, and 5 = strongly disagree or strongly disapprove.

would approve of their daughter or son starting a business. There is slightly greater disapproval of a daughter starting a business than a son.

There are only a few regional differences in the means of the responses to these questions. There are no variations in the responses to the improvement, compete, and daughter and son questions. On the other questions, Michigan and western respondents, relative to both Detroit and national respondents, have a stronger disagreement with the question about business owners having more control over their lives. Detroiters are more likely to agree that one should avoid starting a business because it might fail, and Detroit and Michigan respondents are more likely than those in the national sample to agree that the next two years are a good time to start their own business. These latter differences are particularly interesting given the relatively difficult economic experiences in Michigan and in Detroit specifically over the past several years.

The full analysis of individual differences is shown in Appendix IV, and summarized here by topic.

### Individual Differences

*Demographic Differences.* The individual differences in responses to these questions are shown in Table 16. Age, income and education show the strongest relationships with the responses to these questions. Older respondents are more likely to agree with the statement that one should not compete with a former employer, that business owners have more control over their lives, and that one should not start a business because it might fail. These same respondents disapprove if a daughter or son starts their own business, particularly the daughter, and are slightly more likely to disagree that the next two years are a good time to start a business.

Income and education have similar relations with the answers to these questions. Higher income and education are associated with much greater disagreement that one

**TABLE 16. Demographic Differences in Perceptions of Business Ownership**

Variable	Improve Self	Not Compete	More Control	Avoid Failure	Good Time to Start	Disapprove: Daughter Son	
Age <sup>a</sup>	0.01	-0.30	-0.24	-0.27	0.11	0.32	0.23
Male	-0.12	0.00	-0.06	-0.10	-0.08	-0.07	-0.06
Minority	-0.06	-0.01	0.00	-0.04	0.16	-0.17	-0.20
Native	0.02	0.07	-0.03	0.09	0.05	-0.12	0.00
Income <sup>b</sup>	-0.17	0.20	-0.24	0.18	-0.08	-0.15	-0.14
Schooling <sup>c</sup>	-0.07	0.25	-0.04	0.57	-0.20	-0.12	-0.07

a. Entry is the response of a 65 year old minus that of an identical 25 year old.

b. Entry is the response of someone earning \$70,000 minus that of an identical person earning \$10,000/yr.

c. Entry is the response of someone with a college education minus that of an identical person with 10 years of schooling.

should not compete with a former employer and that one should avoid failure and agreement that business ownership offers a way for people to improve themselves, that business owners have more control over their lives, and that the next two years would be a good time to start a business. Increasing income is also associated with greater approval of daughters and sons starting their own businesses.

The gender, nativity, and minority variables had only isolated relations with the responses to these questions, though some of the differences are substantively important. Males are more likely to agree that business ownership is a way for people to improve themselves and that one should avoid failure. The latter difference is particularly significant, in that it suggests that woman may be better risk takers than men. Males were also more likely to approve if a daughter or son started their own business, though the difference is only marginally statistically significant. Minorities are more likely to approve of their children starting businesses than are non-minorities, by a considerable amount. This result is interesting given that minorities gave slightly lower feelings rankings to small business owners and about the same ranking to entrepreneurs as did whites. Finally, the only opinion on which natives and non-natives differed was that natives showed more approval for a daughter starting her own business than non-natives. Significantly, there was no nativity related difference in approving whether sons started a business. Females of native born families thus are likely to receive greater family support if they choose to start a business than similar women from non-native families.

*Occupational Differences.* There are few occupationally related differences in how people view entrepreneurship, other than between those who do and do not own a business. (See Table 17.) People working in educational organizations are more likely to agree that one should not start a business because it might fail. Workers in the public sector are more likely to disagree that business ownership is a way for people to improve themselves and that one should not compete with a previous employer. Not surprisingly, those who own a business differ substantially from

**TABLE 17. Occupational Differences in Perceptions of Business Ownership**

Variable	Improve Self	Not Compete	More Control	Avoid Failure	Good Time to Start	Disapprove: Daughter	Son
Size <sup>a</sup>	0.00	0.05	0.02	-0.01	-0.16	-0.08	-0.14
Educator	0.11	0.12	0.13	-0.22	0.15	0.04	0.09
Government	0.21	0.16	-0.02	0.05	0.10	0.14	0.11
Bus. owner	-0.16	0.13	0.03	0.17	-0.19	-0.19	-0.18

a. Entry is the difference in response between someone working in an organization with 15,000 people and one with 10 people.



**TABLE 18. Regional Differences in Perceptions of Business Ownership**

Variable	Improve Self	Not Compete	More Control	Avoid Failure	Good Time to Start	Disapprove: Daughter	Son
East	-0.01	0.11	-0.07	-0.03	-0.09	-0.01	-0.04
Midwest	-0.06	-0.02	0.02	-0.04	0.20	0.03	0.04
South	0.06	-0.08	-0.10	0.04	-0.02	0.01	0.00
West	0.02	-0.02	0.14	0.03	-0.09	-0.03	-0.01
Detroit	0.04	0.15	0.00	0.02	-0.28	0.02	0.05
Michigan	0.09	0.06	0.18	-0.02	-0.15	0.01	0.02

non-owners in their attitudes about business ownership. Owners are more likely to agree that ownership is a way to improve oneself and that the next two years would be a good time to start a business. They also show much greater approval of a daughter or son starting a business. Owners are more likely to disagree that one should not compete with a previous employer and that one should not start a business for fear of failure.

*Regional Differences.* There are few regional differences in attitudes about business ownership at the national level. (See Table 18.) The most frequent differences are between Detroit and Michigan residents and residents elsewhere. Detroiters and Michiganians are more likely to agree that the next two years are a good time to begin a business. This is especially remarkable given the recent economic difficulties in that state, and in Detroit in particular. The rest of the midwest, however, disagrees that this would be a good time to start a business. Detroiters are more likely to disagree that one should not compete with a former employer and Michigan respondents were more likely to disagree that owners had more control over their lives. Generally speaking, we can say that perceptions about business owners and about business ownership do not vary among the regions of the country, though they certainly vary among different individuals.

# Ease of Starting A Business

The last section of the survey deals with how difficult respondents perceived it was for themselves and for blacks and women to start a business and whether they would use their savings or borrow money to start a business. The precise questions are:

- |                |  |
|----------------|--|
| Start Business | "Again on a scale from 0 to 100, where 0 is very easy, 50 is neither easy nor difficult, and 100 is extremely difficult, how difficult would you say it is for someone like yourself to start a successful small business?"  |
| Grow Business  | "Again on a scale from 0 to 100, . . . How difficult would it be for you to start a small business and have it grow into a very large business?"   |
| Others Start   | "On a scale from 0 to 100, where 0 represents an impossibility and 100 represents a certainty, how easy is it for members of the following groups to go into business for themselves?<br><br>White men?<br><br>Black men?<br><br>White women?<br><br>Black women?" |
| Use Savings    | "If you had an exciting idea for a new business that, if successful, might make you wealthy, how likely would you be to take all the money from your savings to start such a business? Would you be very likely, somewhat  |



likely, neither likely nor unlikely, somewhat unlikely, or very unlikely to take all the money from your savings?"

Borrow "How likely would you be to borrow money to start such a business?"

The information from these questions serves several important purposes. Systematic variation in people's assessment of how hard it would be for them to start and to grow a business and whether they would use their own savings or borrow to start a business provides important information about potential business starts and the pool of such organizers. Assessments of how hard respondents believe it is for blacks and women to begin businesses indicates whether the public is likely to see the need for efforts to equalize opportunities to begin businesses. These responses also indicate how people will react to public policy efforts to encourage small business proprietorship as a viable economic development and redistribution strategy. For example, the current debate about whether financial support for starting a business is an alternative to welfare or to extended unemployment insurance payments will not gain much support if people perceive that it is extremely and systematically difficult for certain people to start and to grow a business.

The means for the different questions for each of the samples are shown in Table 19. People think it is difficult for them to start a business, and even more difficult to get it to grow into a large company. Interestingly, there are no significant differences among the respondents in the different samples when questioned about their own chances of starting or growing a successful business. Respondents'

### National and Regional Means

**TABLE 19. Mean Rating of Difficulty/Ease in Starting Business**

How easy to start for <sup>a</sup> :	East	Midwest	South	West	Michigan	Detroit
White man	75.05	74.20	75.85	75.51	73.41	81.85
Black man	45.90	49.46	50.39	46.95	50.45	44.52
White woman	56.18	56.65	57.19	57.81	57.28	64.25
Black woman	40.29	40.82	43.12	40.42	42.75	41.38
Difficult to start own <sup>b</sup>	72.74	73.99	71.19	68.41	69.50	68.33
Difficult to grow own <sup>b</sup>	77.97	79.23	75.51	76.51	75.98	74.57
Unlikely to use savings <sup>c</sup>	3.19	3.17	3.04	3.11	3.19	3.11
Unlikely to borrow <sup>c</sup>	2.60	2.90	2.71	2.89	2.82	2.66

a. Responses scaled so that 0 = impossibility and 100 = certainty.

b. Responses scaled so that 0 = very easy, 50 = neither easy nor difficult, and 100 = extremely difficult.

c. Responses scaled so that 1 = very likely, 2 = somewhat likely, 3 = neither likely nor unlikely, 4 = somewhat unlikely, and 5 = very unlikely.

views of how easy it is for other people to start a business contrast sharply with views on their own difficulty. White males are perceived to have a relatively easy time starting their own enterprises. Both the national and the Michigan samples place the ease with which a white man can start a successful business about 75, while Detroit residents place them over 80. Not surprisingly, people say it is much harder for blacks and women to begin a business than it is for white males. White women are seen as having an easier time than black men, with black women having the most difficult time. Detroit residents, relative to the national and the Michigan samples, see it as easier for whites than for blacks to start a business, and this difference holds for men and women. As we shall see subsequently, the difference in these means is very much related to racial differences in perceptions. Black women are seen as having the most difficult time, as one would expect, but here there are no differences among the samples. Finally, respondents say they are slightly more unlikely than neutral to use their own savings to start a business that might make them wealthy but slightly more likely to borrow money for such a purpose. The Detroit sample indicates it is more likely to borrow than are people in the other two groups, but otherwise there are no direct regional differences.

## Individual Differences

Appendix V presents the analysis of individual variations in responses to the questions, from which the following tables are taken. Responses to the "Avoid Failure" question are included in the analyses of the responses to the "Hard to Start" and "Hard to Grow," questions and all three responses are included in the models of the "Use Savings" and "Borrow" questions. Inclusions of the "Avoid Failure" responses indicates to what extent this fear leads people to think it is hard for them to successfully start and grow a business and to be afraid to invest their savings or to borrow to start an enterprise. Similarly, inclusion of the "Hard to Start" and "Hard to Grow" responses indicates whether this perception of difficulty inhibits people from investing in new businesses.

*Demographic Differences.* Surprisingly, minority respondents believe it is less difficult for them to start and to successfully grow a new business than whites do. (See Table 20.) However, when asked about how easy it is for white men, white women, black men and black women to start a business, minorities, relative to whites, say it is much easier for whites, regardless of gender, and much more difficult for black men to start a business. There is no difference in how difficult whites and minorities believe it is for black females to start a business. Minorities also say they are more likely than whites to borrow money to start a business, though they are slightly less likely to use their savings. Males believe that it is easier for them to start and to

**TABLE 20. Demographic Differences in Difficulty/Easy to Start Business**

Variable	Difficulty to:		How easy to start business for:				Unlikely to:	
	Start Business	Grow Business	White Man	Black Man	White Woman	Black Woman	Use Savings	Borrow
Age <sup>a</sup>	2.64	3.92	7.22	-6.42	0.87	-3.45	1.00	0.80
Male	-4.95	-5.31	6.45	-3.77	-1.61	-2.94	0.27	-0.18
Minority	-1.42	-4.04	8.74	-10.66	10.50	0.65	0.16	-0.23
Native	3.09	1.23	1.94	-2.25	1.45	0.06	0.02	0.02
Income <sup>b</sup>	-4.38	-0.30	4.10	0.46	0.65	-0.26	0.08	-0.43
Schooling <sup>c</sup>	-0.36	1.67	0.80	-4.57	-1.00	-4.96	0.11	-0.37

a. Entry is the response of a 65 year old minus that of an identical 25 year old.

b. Entry is the response of someone earning \$70,000 minus that of an identical person earning \$10,000/yr.

c. Entry is the response of someone with a college education minus that of an identical person with 10 years of schooling.

successfully develop a business than do females. However, males see it as harder for others to start businesses, particularly other males. Males are considerably more likely to use savings or to borrow to start a business.

As age increases, people perceive that it is harder for them to be successful at starting a business, that it is harder for males to start a business, and that the likelihood of using savings or borrowed money to start a business decreases markedly. These results reinforce the obvious point that older people are more risk averse and see larger barriers to entrepreneurial activity than do younger people.

Income has relatively little effect on the perceived ease of others starting a business except for white men. Higher incomes are associated with a sense that it is easier to start your own business but not necessarily to have it grow into a large firm. As income increases there is a much greater likelihood of the person borrowing money to start a business, but only a very slight chance of them being more likely to use savings. There are few education related differences, with the exception that as schooling increases, so does the assessment of how difficult it is for blacks to start a successful business. Secondly, the likelihood of borrowing money to start a business increases with education but the likelihood of using savings does not.

*Occupation Characteristics.* Current or previous ownership of a business and employment in an educational institution were the only occupational variables that had any relationship with the answers to the business start questions. (See Table 21.) Not surprisingly, business owners felt it was easier for them to start a business than did non-owners. They are much more likely to say they would use savings to start a business, which most undoubtedly have done. The difference between owners and non-owners in the likelihood of borrowing money is smaller and not statistically significant.

**TABLE 21. Occupational Differences in Difficulty/Easy to Start Business**

Variable	Difficulty to:		How easy to start business for:				Unlikely to:	
	Start Business	Grow Business	White Man	Black Man	White Woman	Black Woman	Use Savings	Borrow
Size <sup>a</sup>	0.13	-1.18	-0.87	-0.38	-1.84	-0.50	0.06	0.03
Educator	2.77	1.79	-4.00	-4.39	-3.66	-5.46	0.14	0.28
Gov'mnt	-1.65	2.29	-1.16	2.16	-1.72	1.47	0.13	0.25
Bus. owner	-6.07	-4.09	-0.30	0.29	1.06	0.66	-0.27	-0.17

a. Entry is the difference in response between someone working in an organization with 15,000 people and one with 10 people.

Employment as an educator is related to a number of the questions about ease of starting a business and about using savings or borrowing to start a firm. Educators perceive that it is more difficult for others, particularly blacks, to start a business. They also feel that it is harder to start a business themselves though the latter differences were not as large as the perceived difficulty for others. They are also more risk averse, in that they say they are less likely to use savings or borrowed money to start a business. Size and employment in the public sector have no relationship with the questions.

*Regional Differences.* The only notable regional differences are between Detroit respondents and the national sample. (See Table 22.) Detroiters say it is easier for them to start a business than do comparable people elsewhere. Detroiters also say it is easier for white men and white women to start a business than non-Detroiters do. However, Detroit residents do not differ from people elsewhere in perceiving how difficult it is for black men and women to start businesses. Detroit respondents are more likely to use savings or to borrow to start a business than residents in Michigan or elsewhere. Eastern residents are more likely to borrow money, in contrast to westerners, who are less likely than the national sample to borrow.

**TABLE 22. Regional Differences in Difficulty/Easy to Start Business**

Variable	Difficulty to:		How easy to start business for:				Unlikely to:	
	Start Business	Grow Business	White Man	Black Man	White Woman	Black Woman	Use Savings	Borrow
East	1.00	0.18	0.53	-2.40	-0.05	-0.18	-0.01	-0.19
Midwest	1.88	1.75	-0.69	0.96	-0.19	-0.51	0.03	0.08
South	-0.63	-1.57	0.31	2.76	-0.59	1.46	-0.09	-0.10
West	-2.25	-0.36	-0.16	-1.32	0.83	-0.77	0.05	0.22
Detroit	-3.96	-1.59	5.59	0.15	4.10	0.05	-0.21	-0.26
Michigan	-2.20	-1.73	-0.60	1.59	1.33	2.00	0.03	-0.00

*Other Attitudes.* We next examined if the perceptions of how hard it is to start a business and to make it grow into a large company are related to the willingness to take the financial risks required to start a business. (See Table 23.) The perception of the difficulty in starting a business is not related to risk taking, but the perception of the difficulty in having it grow is quite strongly related to risk taking. Someone who thinks it is very easy to have a new business grow into a large business scores 0.5 to 0.6 higher on the likelihood of borrowing or using savings than someone who thinks it is extremely difficult to create a large business.

Lastly, we examined if risk aversion, as assessed by the question about not starting a business because it might fail, was associated with responses to the questions about how easy it would be to start a business and to have it grow into a large company and whether the person would use savings or borrow to start a firm. The expectation is that the risk averse people will say it is harder to start a company and will be less likely to use savings or to borrow to start a business. These expectations were born out with one exception. The risk averse respondents said it was harder to start a business than those who did not fear failure. The risk averse were also considerably less likely to use savings or to borrow to start a business. In fact, the fear of failure was associated with one of the largest differences in the likelihood of taking either of these actions among any of the variables examined. The only place that risk aversion is not associated with a difference in attitude is in the perceived difficulty of turning a small business into a large company.

**TABLE 23. Attitudinal Differences in Difficulty/Easy to Start Business**

Variable	Difficulty to:		Unlikely to:	
	Start Business	Grow Business	Use Savings	Borrow
Hard to:				
Start business <sup>a</sup>			-0.20	0.10
Grow business <sup>a</sup>			0.60	0.50
Avoid failure <sup>b</sup>	-5.64	0.48	-0.56	-0.56

a. Difference between someone who said it was extremely difficult to start or to grow their own business and someone who said it was very easy.

b. Difference between someone who strongly disagreed that one should not start a business because it might fail and someone who strongly agreed with that statement.

# Summary and Conclusions

Although there is much data contained in the survey and discussed in the preceding sections, we can summarize the basic dimensions of the findings fairly easily. A quick summary is that entrepreneurs and small business owners are not as widely recognized for their contribution to economic growth as they themselves and some data would portray. Nonetheless, they still garner substantial support from the public, are less politically influential than people think they should be, and provide important social and economic opportunities. A substantial number of people either own their own business or intend to start one in the coming years and many others have some of the basic attitudes toward risk required for such an undertaking. *Thus, the pool of potential owners, or those with sympathetic attitudes for business ownership, is a significant portion of the population. We can review the findings that lead to these conclusions.*

People certainly rate increasing economic opportunity, defined as creating jobs and providing greater wealth, as a very important problem. Nearly a fifth of the national sample gave it the highest importance rating possible and the mean importance score was 75 out of 100. Surprisingly, the only region to deviate significantly in their rating of this issue's importance was the Michigan sample, which attached less importance to increasing economic opportunity than the rest of the country. Given that state's recent history, this result is surprising and one can hope does not indicate a benumbing effect of the recent national recovery. However, the proportion of Detroit residents giving this issue the highest possible ranking was much higher than in the national sample.

Entrepreneurs and small business owners are not as widely recognized for their contribution to economic growth as they and some data would portray. People perceive large companies as being more important in provid-



ing economic opportunity than new and small businesses. Nonetheless, those who start and own new and small firms still garner substantial support from the public, who rank them behind farmers and teachers, but ahead of union leaders, corporate executives and federal workers on a favorability scale. Furthermore, entrepreneurs and small business owners are perceived as less politically influential than people think they should be, with only farmers outranking small business owners as a group with too little political influence.

Business ownership, and the ability to start a business, are seen as providing important social and economic opportunities. Most people agree that the ability to start and own a business is a way for people to improve themselves and to have more control over their lives. They would also approve if a daughter or son started her/his own business. A substantial number of people have some of the basic risk taking characteristics required to start and own a business in that they say that fear of failure should not stop one from starting a business and that they would borrow money to start a firm. Thus, the pool of potential owners, or those with sympathetic attitudes for business ownership, is a significant portion of the population.

Respondents in all samples perceive that blacks and women face substantial barriers to efforts to go into business for themselves. People perceive that it is easy for white males to start a business, but not so for females and blacks, with race associated with somewhat greater barriers than gender. Not surprisingly, people see it is harder for them than for others of the same race and gender to start businesses.

These results lay out quite clearly tasks for people promoting support for new and small businesses. People in the public at-large must be convinced of the large role played by these enterprises in promoting economic growth. The responses to the feeling and political influence questions indicate that people think well of those who start and own businesses, so they should be receptive to arguments about the importance of this sector of our economy. People also see business ownership as supporting important social values, such as opportunity and control over ones life. These results are significant when considering efforts to build support for new and small business initiatives, as people are far more receptive to public policies seen as promoting important social values than they are to policies perceived primarily as aid for particular economic interests.

A very important problem confronting those promoting new and small business ownership as significant tools of economic and social policy is the clear perception of strong barriers facing blacks and women, relative to white males. These barriers, or at least their perceived existence, must

be reduced both to insure notions of equity and to increase the pool of potential entrepreneurs.

A surprising result is the relatively little regional variation in attitudes. There is a common perception that some areas of the United States are more entrepreneurial than others. There is also empirical evidence that many of these same areas are far more successful than others in creating new firms and growth industries. Finally, some regions are economically very dependent upon large, stable manufacturing firms that might predispose residents to be less entrepreneurial and less sensitive to the needs and character of small business. A majority of the cases where regional differences were significant concerned respondents' feelings towards and influence ratings of occupational groups other than entrepreneurs and small business owners, such as teachers and union leaders. The next largest set of regional differences are how Detroiters perceive the ease with which whites and blacks can start a business. Overall, and particularly in the area of how entrepreneurs and small business owners are rated and perceived, there is little variation among people in different regions of the country. There are large individual differences related to economic and demographic differences, but these only translate into regional differences as the economic and demographic composition of regions varies.

The absence of regional differences within the United States and between Michigan and Detroit and the rest of the country weaken support for the argument that area differences in entrepreneurial activity are related to differences in the entrepreneurial environment. The absence of U. S. and Michigan differences should underscore this point, given Michigan's extraordinary dependence upon large manufacturing companies. The obvious implication is that one must look at other factors to explain the regional differences in entrepreneurship.



# Bibliography

- Armington, Catherine and Marjorie Odle, 1982, "Small Business—How Many Jobs?," *The Brookings Review*, Winter, pp. 14-17.
- Birch, David, L., 1979, *The Job Generation Process*, Program on Neighborhood and Regional Change, Massachusetts Institute of Technology, Cambridge, MA.
- Birch, David, L., 1981, "Who Creates Jobs?," *The Public Interest*, Fall (#65).
- Ferguson, Ronald, F. and Helen F. Ladd, 1986, "Economic Performance and Economic Development Policy in Massachusetts," in Fosler (ed.), *Organizing for State Economic Progress*, Washington, DC: The Committee for Economic Development.
- Fosler, R. Scott, 1986, *Organizing for State Economic Progress*, Washington, DC: The Committee for Economic Development.
- Jackson, John, E., 1986, "Economic Development in Michigan: Creating a Future," in Fosler (ed.), *Organizing for State Economic Progress*, Washington, DC: The Committee for Economic Development.
- Ross, Douglas, Paul N. Courant, Peter B. Eckstein, Sandra Gleason, John E. Jackson, James Kenworthy, David Verway, and John Yinger, 1984, *The Path to Prosperity*, Michigan Department of Commerce, Lansing, MI.
- Schmenner, Roger, W., 1982, *Making Business Location Decisions*, Englewood Cliffs, NJ: Prentice-Hall.
- Schmenner, Roger, W., 1984, "Aspects of Industrial Plant Openings and Closings," in B. Bock (ed.), *The Impact of the Modern Corporation*, New York, NY: Columbia University Press, pp. 191-218.

# Appendices

## APPENDIX I. Importance Ratings for Opportunity and Job Creation

Variable	Economic Opportunity	Entrepreneurs	Small Business	Large Companies
Age	-0.90**	-1.28**	0.43	-0.70*
Male	-3.60**	0.99	1.27	-3.80**
Minority	3.93**	0.98	-0.55	2.42
Native	3.14**	-0.86	0.39	0.91
Income	-1.78	4.06	4.60	6.51**
Yrs. schooling	0.20	-0.15	-0.42	-0.15
College	0.26	1.38	1.74	-2.40
Size	0.95*	-0.47	-0.50	0.43
Education	0.25	-4.74*	-2.81	3.24
Government	-0.19	4.10	3.41	2.00
Business owner	-0.33	2.56	5.97**	-2.24
Previous owner	0.30	1.58	1.33	-0.74
Last	1.29	0.39	-1.75	2.43
Midwest	0.18	1.93	1.88	-1.77
South	0.79	0.91	-0.18	3.03**
West	-2.26	-3.23**	0.05	-3.68**
Detroit	-1.68	0.79	2.23	2.73
Michigan	-3.46**	3.89**	3.07**	2.59*
R-squared	0.031	0.026	0.021	0.036

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

## APPENDIX II. Feelings Towards Occupation Groups

Variable	Feelings towards:						
	Teachers	Entre- preneurs	Union Leaders	Execu- tives	Small Bus. Own.	Federal Workers	Farmers
Age	-0.39	-0.13	-0.37	1.24**	0.51	0.71*	-0.33
Male	-1.78	-0.28	-6.04**	-2.12*	1.25	-4.31**	-2.20**
Minority	2.00	0.78	8.99**	5.74**	-1.26	6.76**	2.08
Native	1.93	1.03	-1.16	-2.44*	-0.55	2.85*	3.35**
Income	-2.81	7.22**	-7.29**	2.25	3.49	-8.60**	-7.54**
Yrs School	0.02	0.37**	-0.96**	-0.09	0.14	-0.76**	0.00
College	3.40**	1.21**	1.32	2.67	-0.79	1.32	-2.26
Size	0.74	-0.20	0.52	-0.24	-0.91**	0.54	-0.08
Education	8.29**	0.56	4.23	1.88	2.04	6.11**	5.18**
Government	1.30	-0.90	3.03	-1.63	1.96	12.93**	0.69
Bus owner	-3.29*	3.35**	-4.50**	-2.27	2.34*	-4.44**	-1.91
Prev owner	-0.63	0.53	-3.01*	0.34	0.11	-0.59	-0.40
East	-3.29**	-1.12	1.22	0.14	-0.10	-0.52	-0.18
Midwest	1.04	0.10	1.78	-0.39	0.48	0.03	-0.12
South	1.57	0.71	-1.69	2.86**	0.30	2.23*	0.28
West	0.68	0.31	-1.32	-2.61*	-0.68	-1.74	0.02
Detroit	-5.47**	3.38**	11.79**	1.03	-3.53**	0.19	0.64
Michigan	-4.90**	1.36	4.35**	2.71**	-2.01**	-1.70	-0.45
Importance of: <sup>a</sup>							
Opportunity	0.83**	0.33	0.44	-0.12	0.63**	0.29	0.83**
Entrepreneurs	0.60**	2.26**	0.28	0.45*	0.58**	0.57**	1.27**
Small business	1.05**	1.37**	-0.25	-0.18	3.68**	0.30	1.41**
Large company	1.04**	0.48**	1.46**	2.54**	-0.11	1.69**	0.58**
R-squared	0.098	0.181	0.115	0.103	0.264	0.126	0.133

<sup>a</sup>Variable is importance scale divided by 10.

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

### APPENDIX III. Assessments of Political Influence

Too Little Political Influence (5 = too little)

Variable	Teachers	Entrepreneurs	Union Leaders	Executives	Small Bus. Own.	Federal Workers	Foreign Companies	Farmers
Age	-0.06**	0.02	0.03**	0.03**	-0.03**	0.08**	0.02	-0.05**
Male	-0.24**	0.05	0.02	-0.03	-0.02	0.01	0.02	-0.09**
Minority	0.12*	-0.09	0.37**	-0.04	0.04	0.09	0.06	-0.14**
Native	0.10*	0.11**	0.07	0.02	0.03	0.06	-0.12**	0.22**
Income	-0.22*	0.22*	-0.15	0.01	0.09	-0.26**	0.12	-0.06
Yrs school	0.00	0.01*	-0.05**	-0.03**	0.01	0.03**	0.01	-0.01
College	0.13*	0.10*	0.13**	0.16**	-0.01	0.04	0.14**	-0.01
Size	0.03	-0.01	0.02	0.02	-0.04**	0.07**	-0.05**	0.00
Education	0.15*	-0.02	0.04	-0.20**	0.00	0.07	0.11	0.05
Government	-0.01	-0.25**	-0.01	-0.07	-0.04	0.41**	-0.03	0.11
Bus owner	-0.07	0.09	-0.11*	0.08	0.05	-0.02	-0.06	-0.00
Prev owner	-0.00	0.01	-0.13**	0.02	0.01	-0.02	-0.10*	0.02
East	-0.10*	-0.05	0.00	-0.08*	-0.02	-0.04	-0.06	0.01
Midwest	-0.03	-0.03	-0.01	0.02	0.02	-0.06	-0.04	-0.03
South	0.09*	-0.04	0.05	0.08**	-0.01	0.03	0.02	0.01
West	0.04	0.12**	-0.04	-0.03	0.01	0.07	0.08*	0.01
Detroit	-0.14**	0.01	0.04	0.06	-0.06	0.17**	0.20**	-0.00
Michigan	-0.27**	-0.09*	0.00	0.10**	-0.07*	-0.01	0.09**	-0.04
Importance of: <sup>a</sup>								
Opportunity	0.01	-0.00	0.00	-0.01	-0.00	-0.00	-0.02**	0.01*
Entrepreneur	0.01	0.03**	0.00	-0.02**	0.01	0.00	0.01	0.00
Small bus	-0.01	0.01	-0.02*	-0.01	0.02**	-0.01	-0.01	0.01
Large comp	-0.01	-0.01	0.00	0.03**	-0.02**	0.01	-0.00	-0.00
R-squared	0.092	0.044	0.075	0.045	0.041	0.050	0.044	0.041

<sup>a</sup>Variable is importance scale divided by 10.

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

**APPENDIX IV. Perceptions of Business Ownership**

Variable	Improve Self	Not Compete	More Control	Avoid Failure	Good Time to Start	Disapprove: Daughter	Son
Age	0.00	-0.08**	-0.06**	-0.07**	0.03	0.08**	0.06**
Male	-0.12**	0.00	-0.06	-0.10**	-0.08	-0.07*	-0.06
Minority	-0.06	-0.01	0.00	-0.04	0.16**	-0.17**	-0.20**
Native	0.02	0.07	-0.03	0.09	0.05	-0.12**	0.00
Income	-0.29**	0.34**	-0.40**	0.31**	-0.16	-0.25**	-0.23**
Schooling	-0.03**	0.04**	0.00	0.07**	-0.01	-0.03**	-0.01
College	0.14**	0.03	-0.06	0.12	-0.14*	0.03	0.01
Size	0.00	0.01	0.01	-0.01	-0.05**	-0.02	-0.04**
Education	0.11	0.12	0.13	-0.22**	0.15	0.04	0.09
Government	0.21**	0.16*	-0.02	0.05	0.10	0.14	0.11
Bus owner	-0.16**	0.13*	0.03	0.17**	-0.19**	-0.19**	-0.18**
Prev owner	-0.05	0.09	0.13*	0.11*	0.09	-0.05	-0.09*
East	-0.01	0.11*	-0.07	-0.03	-0.09	-0.01	-0.04
Midwest	-0.06	-0.02	0.02	-0.04	0.20**	0.03	0.04
South	0.06	-0.08	-0.10	0.04	-0.02	0.01	0.00
West	0.02	-0.02	0.14**	0.03	-0.09	-0.03	-0.01
Detroit	0.04	0.15**	0.00	0.02	-0.28**	0.02	0.05
Michigan	0.09*	0.06	0.18**	-0.02	-0.15**	0.01	0.02
R-squared	0.038	0.091	0.021	0.102	0.047	0.130	0.190

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

### APPENDIX V. How Easy to Start Business?

Variable	Difficulty to:		How Easy to Start Business for:				Unlikely to:	
	Start Business	Grow Business	White Man	Black Man	White Woman	Black Woman	Use Savings	Borrow
Age	0.66	0.98**	-1.80**	-1.61**	0.22	-0.86*	0.25**	0.20**
Male	-4.95**	-5.31**	-6.45**	-3.77**	-1.61	-2.94**	-0.27**	-0.18**
Minority	-1.42	-4.04**	8.74**	-10.66**	10.50**	0.65	0.16	-0.23**
Native	3.09*	1.23	1.94	-2.25	1.45	0.06	0.02	0.02
Income	-7.30**	-0.50	6.83**	-0.77	1.09	-0.44	-0.13	-0.72**
Schooling	0.16	0.17	0.33	-0.83**	-0.28	-1.20**	0.02	-0.05**
College	-1.32	0.65	-1.19	0.43	0.66	2.21	-0.01	-0.07
Size	0.04	-0.37	-0.27	-0.12	0.58	-0.16	0.02	0.01
Education	2.77	1.79	-4.00	-4.39*	-3.66	-5.46**	0.14	0.28*
Gov'mnt	-1.65	2.29	-1.16	2.16	-1.72	1.47	0.13	0.25
Bus own	-6.07**	-4.09**	-0.30	0.29	1.06	0.66	-0.27**	-0.17
Prev own	-3.45*	-4.29**	1.43	0.09	1.20	1.93	-0.17*	-0.04
East	1.00	0.18	0.53	-2.40	-0.05	-0.18	-0.01	-0.19**
Midwest	1.88	1.75	-0.69	0.96	-0.19	-0.51	0.03	0.08
South	-0.63	-1.57	0.31	2.76**	-0.59	1.46	-0.09	-0.10
West	-2.25	-0.36	-0.16	-1.32	0.83	-0.77	0.05	0.22**
Detroit	-3.96*	-1.59	5.59**	0.15	4.10**	0.05	-0.21*	-0.26**
Michigan	-2.20	-1.73	-0.61	1.59	1.33	2.00	0.03	-0.00
Hard to:								
Start bus <sup>a</sup>							-0.02	0.01
Grow bus <sup>a</sup>							0.06**	0.05**
Avoid fail	-1.41**	0.12					-0.14**	-0.14**
R-squared	0.039	0.023	0.074	0.049	0.039	0.016	0.075	0.057

<sup>a</sup> Variable is difficulty scale divided by 10.

\*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

---

**APPENDIX VI. Summary of Responses – National Sample**

**Occupation's Political Influence:**

	<b>Much too Much</b>	<b>Too Much</b>	<b>About Right</b>	<b>Too Little</b>	<b>Much Too Little</b>	<b>Don't Know</b>
Teachers	2.3	9.6	33.5	39.5	13.3	1.9
Entrepreneurs	2.0	14.2	38.9	36.3	6.5	2.2
Union leaders	21.1	52.2	17.6	6.3	1.2	1.6
Executives	18.5	54.6	22.4	2.3	0.5	1.7
Small business owners	0.3	2.7	26.4	59.3	10.3	1.0
Federal workers	8.9	29.2	41.6	15.0	2.5	2.9
Farmers	0.2	4.1	17.1	56.0	21.3	1.3
Foreign companies	19.8	55.1	15.9	4.3	0.8	4.1

**If Child Started Business?**

	<b>Strongly Approve</b>	<b>Approve</b>	<b>Neither</b>	<b>Disapprove</b>	<b>Strongly Disapprove</b>
Daughter	33.3	55.3	1.9	7.7	1.8
Son	37.1	54.9	1.5	5.4	1.1

**Perceptions About Business Ownership**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Way to improve self	30.6	55.2	2.8	10.4	1.0
Not compete with former company	2.6	16.2	2.3	58.1	20.8
Owners have more control over life	21.6	4.8	3.5	26.7	3.4
Avoid failure	2.8	21.7	1.6	57.5	16.4
Next 2 yrs good time to start business	4.6	49.8	7.5	33.9	4.6

**Obtain Funds to Start Business:**

	<b>Very Likely</b>	<b>Likely</b>	<b>Neither</b>	<b>Unlikely</b>	<b>Very Unlikely</b>
Use savings?	15.7	32.2	5.3	18.8	28.0
Borrow?	24.0	33.9	4.5	15.6	22.0

---



---

**Summary of Responses – National Sample  
(continued)**

	Numerical Rank*				Mean Rank Response
	Greater than 50	75 or Greater	90 or Greater	100	
<b>Importance of: (0 = No Importance, 50 = Average Importance 100 = Extreme Importance)</b>					
Entrepreneurs	64.6	54.6	31.2	21.7	69.7
Small Business	69.8	57.9	32.9	24.0	71.7
Large Companies	75.9	66.7	41.9	25.5	75.0
<b>Feelings Towards: (0 = Very Unfavorable, 100 = Extremely Favorable)</b>					
Teachers	83.1	74.5	54.4	39.4	81.3
Entrepreneurs	70.6	56.8	28.0	18.8	71.8
Union leaders	28.7	20.1	9.0	6.3	45.3
Executives	46.9	29.8	12.8	7.9	58.2
Small business	78.7	62.3	32.4	21.7	75.1
Federal workers	46.6	32.6	13.4	8.2	58.2
Farmers	86.6	76.0	50.3	33.8	81.4
<b>Difficult for Self to: (0 = Very Easy, 100 = Extremely Difficult)</b>					
Start own business	65.4	57.9	38.2	30.1	71.7
Grow into large business	74.7	68.4	52.5	37.0	77.2
<b>Easy for Others to Start Business, (0 = Impossibility, 100 = Certainty)</b>					
White men	76.2	64.8	38.8	29.5	75.2
White women	46.2	28.3	11.3	9.4	57.0
Black men	30.6	18.8	9.3	7.4	48.7
Black women	22.0	13.2	7.5	5.9	41.5

\*The following example illustrates the proper way to read the summary of responses on this page: 77.2% of all survey respondents rated the importance of creating Economic Opportunity as a public issue above 50 (average importance) on a scale of 0 (no importance) to 100 (extreme importance). Moving across the row, 67.7% of all respondents rated Economic Opportunity at 75 or above, while 37.5% felt the problem deserved a rating of 90 or greater. Over one-quarter of all respondents (26.8%) rated it a 100 (extreme importance).

---