

Tennessee State Small Business Credit Initiative (SSBCI) 2.0

Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee



Survey Results Overview

Visit the [website](#) for more details

TNECD SSBCI 2.0 Contact Information

[TN.GOV/ECD/SMALL-BUSINESS/SSBCI](https://tn.gov/eCD/small-business/ssbci)

615.741.1888 | ECD.SSBCI2.0@TN.GOV

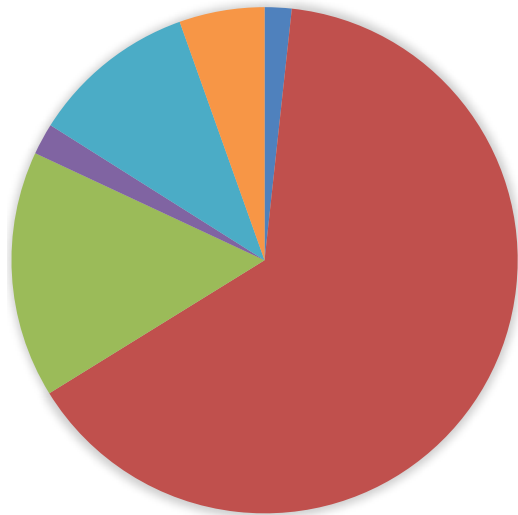
Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Respondents

Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee

Discover -> Design -> Deploy

Tennessee's plan uses a three-phase approach. The Discover phase is intended to inform and familiarize stakeholders about SSBCI 2.0. The state has engaged numerous stakeholders for the program and completed a public survey. US Treasury guidance related to programmatic elements is ongoing. Details [here](#).

Who took the survey?



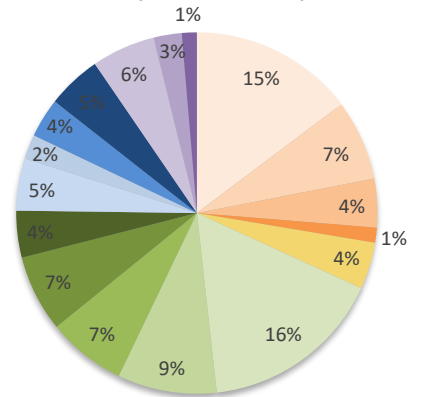
Key	Survey Respondent Category	Description (I am...)
64%	DBE, Small Business, Entrepreneur	I am a small business owner or a part of the executive leadership of a small business or an entrepreneur; I may also consider myself to be a minority-owned, woman-owned and/or veteran-owned business, a business owner with disabilities and/or am underserved and underrepresented.
16%	ESO (Entrepreneur Support Organization)	This means I am hands-on, directly working with DBEs, small businesses and/or entrepreneurs through a nonprofit, education-connected, and/or government connected organization that supports businesses to start, grow and expand.
11%	Lender/Funder	I represent a bank, CDFI, credit union and/or other financial institution, development district, (angel or venture) equity investor, etc..
5%	Other	N/A
2%	Stakeholder/Resource Partner	I do not provide direct hands-on support to DBEs, small businesses or entrepreneurs but am interested in their development and success.
2%	None of the above	N/A

Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Business Needs

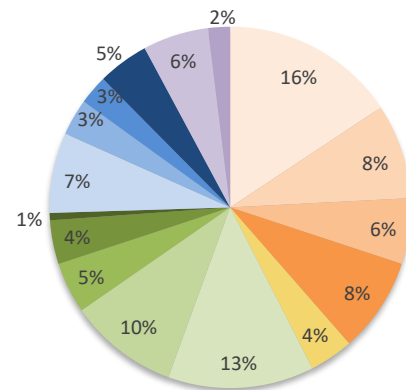
Survey respondents were asked to identify the top three items that would help them meet their business' needs or the needs of businesses that they work with through their respective roles. The list of options respondents chose from is found in the "Business Needs Key" below.

The reported business needs of DBEs, Small Businesses, and Entrepreneurs as reported by...

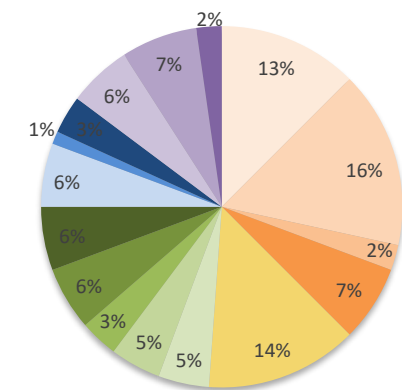
DBE, Small Business, and Entrepreneur Respondents



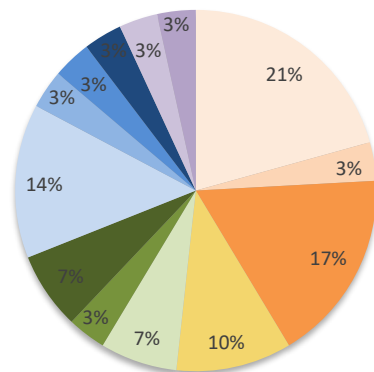
ESO Respondents



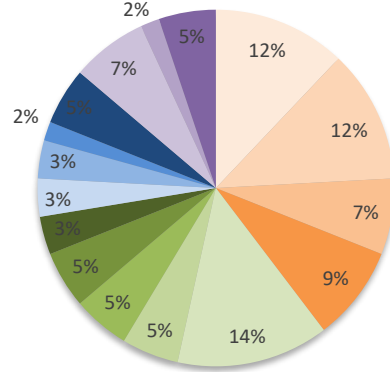
Funder/Lender Respondents



Stakeholder/Resource Partner Respondents



Other/Uncategorized Respondents



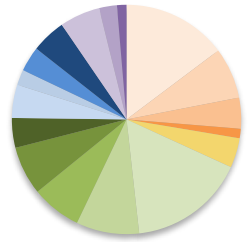
Overarching Categories Key



Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Top 10 Needs

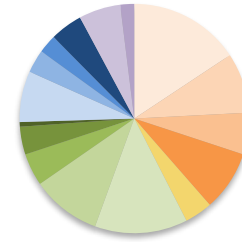
Survey respondents were asked to identify the top three items that would help them meet their business' needs or the needs of businesses that they work with through their respective roles. The list of options respondents chose from is found in the "Business Needs Key" below.

Top 10 needs of DBEs, Small Businesses, and Entrepreneurs as reported by...



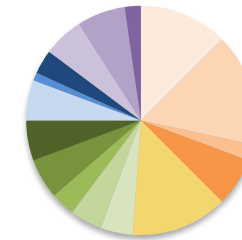
DBE, Small Business, and Entrepreneur Respondents

1. Capital/funding loans general (16.4%)
2. Operational support (14.7%)
3. Capital/funding: especially Microloans under \$50K (8.9%)
4. Staff training and continuing education (7.2%)
5. Capital/funding: especially Microloans under \$10K (7.0%)
6. Capital/funding: especially loans from \$50k to \$250K (6.9%)
7. Equity capital: especially over \$250k (4.9%)
8. Equity capital, general (4.7%)
9. Access to technology, not including broadband (4.4%)
10. Capital/funding: especially loans over \$250K (4.2%)
- Policy/regulatory changes (4.2%)



ESO Respondents

1. Operational Support (15.7%)
2. Capital/funding, loans general (13.1%)
3. Capital/funding: especially Microloans under \$50K (9.8%)
4. Staff training and continuing education (8.5%)
- Broadband access (8.5%)
5. Equity capital, general (7.2%)
6. Access to technology, not including broadband (5.9%)
7. Capital/funding: especially Microloans under \$10K (4.6%)
- Equity capital: especially over \$250K (4.6%)
8. Policy/regulatory changes (3.9%)
- Capital/funding: especially loans from \$50K to \$250K (3.9%)
9. Equity capital: especially under \$50K (3.3%)
10. Equity capital: especially \$50k to \$250K (2.6%)



Funder/Lender Respondents

1. Staff training and continuing education (15.9%)
2. Policy/regulatory changes (13.6%)
3. Operational support (12.5%)
4. Broadband access (6.8%)
- No outside resources/changes needed (6.8%)
5. Capital/funding: especially loans from \$50K to \$250K (5.7%)
- Capital/funding: especially loans over \$250K (5.7%)
- Equity capital, general (5.7%)
6. Capital/funding, loans general (4.5%)
- Capital/funding: Microloans under \$50K (4.5%)
7. Capital/funding: Microloans under \$10K (3.4%)
- Equity capital: especially over \$250K (3.4%)
8. Access to technology, not including broadband (2.3%)
9. Equity capital: especially \$50K to \$250K (2.6%)
10. Equity capital: especially under \$50K (0%)

Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Debt/Equity Focus

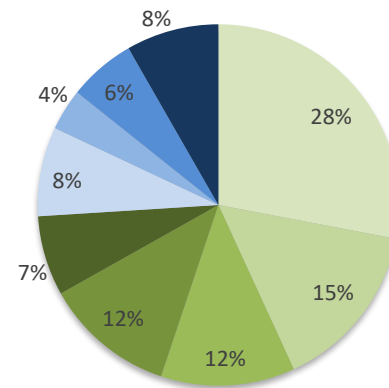
These graphics show a subset of the aggregated total of the debt and equity need of DBEs, Small Businesses, and Entrepreneurs by respondents when asked to identify the top three items that would help them meet their business' needs or the needs of businesses with whom they work.

Subset of needs for debt and equity from the previous *Top 10 needs of DBEs, Small Businesses, and Entrepreneur*:

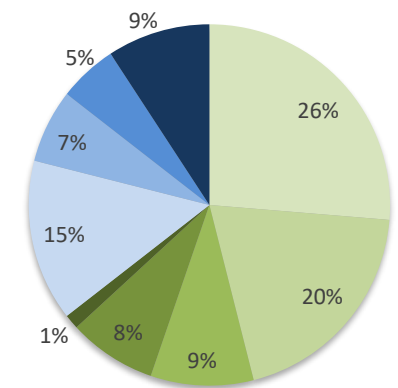
Survey Respondent Reported Debt/Equity Need for DBEs, Small Businesses, and Entrepreneurs



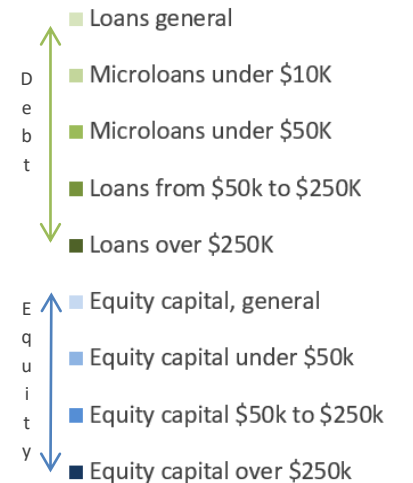
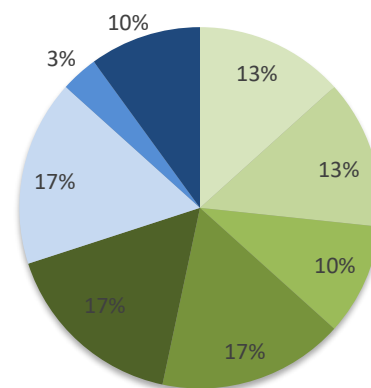
DBE, Small Business, and Entrepreneur Respondents



ESO Respondents



Funder/Lender Respondents

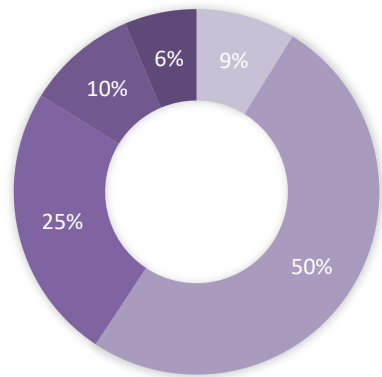


Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: COVID Impacts

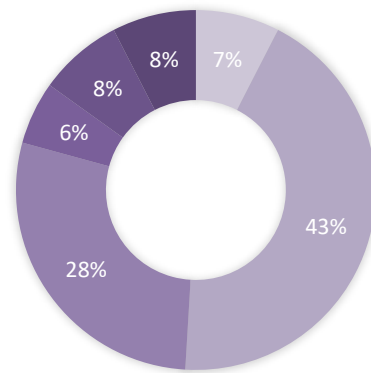
Survey respondents were asked to identify the impact of COVID-19 on their business or on the businesses that they work with through their respective roles. The list of options respondents chose from is found in the “Reported Impact of COVID-19” below.

The reported impact of COVID-19 on DBEs, Small Businesses, and Entrepreneurs as reported by...

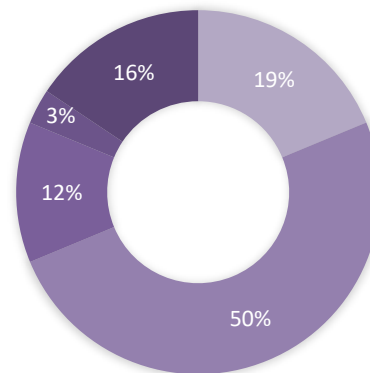
DBE, Small Business, and Entrepreneur* Respondents



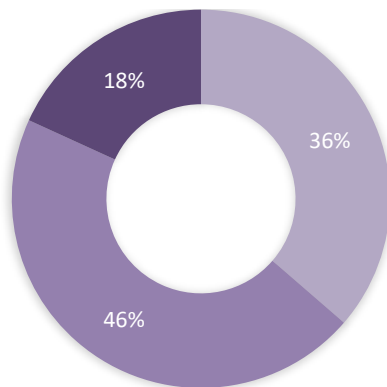
ESO Respondents



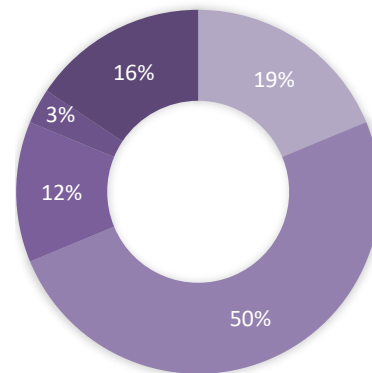
Funder/Lender Respondents



Stakeholder/Resource Partner Respondents



Other/Uncategorized Respondents



Reported Impact of COVID-19

- It is starting to impact their business
- It is really impacting their business
- The impact on their business is in decline
- It is not impacting their business
- It is having a positive impact on their business
- Other (please specify)

Note: DBE, Small Business, and Entrepreneur Respondents did not have an “Other” category as they responded for their own respective businesses. The “Other” option was available to the respondents who answered on behalf of the businesses with whom they work, where they expressed ranges of impact across their various businesses, mentioning industries, stage and size, etc.

Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Questions (1)

Survey respondents were asked a few open-ended questions, including, “What prevents your business (the businesses with whom you work) from growing at this point?” and “Looking ahead, with your business and the organizations that have assisted you in mind, what have we not asked and/or what else we should know?” **Here are some of their responses:**



DBE, Small Business, and Entrepreneur Respondents

- *Receivables are slow to pay so I need a line of credit to stay afloat. The projects are not paying fast enough to self finance, so I need to look at other ways to fund my venture. It is difficult to obtain the right sized line of credit as a small business at this time.*
- *Our business is small but we've been around for 19 years....we need assistance with the loans that are available, ...*
- *...without their support, we wouldn't have been able to attract investment from other high quality national investors [...] We'd hope that both Innova Memphis and Epicenter Memphis will continue to be supported so that they can continue to provide strong all-round support for founders, especially women and founders of color.*
- *...we spent so much money on Covid related items, our business was significantly impacted, yet we only qualified for \$4k of expenses covered based in the rules.*
- *[Need for] non-conventional credit sources.*
- *As a DBE [...] For the first eight years working towards my business, I did not receive assistance from a single bank. They looked at my debt from graduate school and credit cards, then said my work meant nothing. I got penalized for trying to bootstrap and make the best of a situation. I believed there wasn't any assistance available. If there was money, minorities, women, and the disabled don't get access to it. When we do find programs, the wait time is very long and rejection is high. Approval is subjective based on officers reviewing paperwork.”*
- *Businesses that began late 2019-early 2020, also need assistance. Just because I can't show a decline in income doesn't mean I'm not hurting.*
- *Due to the pandemic, we had to go into some serious debt to keep our doors open and to keep our employees. That meant maxing out 6 credit cards, take on Merchant Cash Advances (daily loans with up to 235% interest). We had to not pay our personal bills to pay our employees! Now, we are on the verge of losing our home and car. We did not receive the EIDL, we did not receive the RRF (funds ran-out), and we can not get a loan due to our credit scores. We are a small, minority, veteran and woman owned mom and pop business that needs help now.*



ESO Respondents:

- *There hasn't been a shortage of capital for good 'conventional' startups throughout the pandemic, so people who have had access to resources never lost it. However, there has been less support for pre-seed and very early stage companies. Inequalities in capital access have also persisted. The pandemic has made some of our entrepreneurs and startups much more riskier than they would have been considered before, and the widespread availability of pandemic assistance across states & the adoption of remote work has made recruiting/talent retention and attraction much more difficult...*
- *I think many of them feel overwhelmed with information and some misinformation. They are so short staffed it is hard for them to take advantage of the resources- they're just trying to stay afloat.*
- *Many small businesses and startups can fall victim to predatory debt/loan options. It is important to have trusted sources with wide nets to ensure businesses have access not only to the resource, but information about it.*
- *I think rural and disadvantaged communities would benefit from the multi-layered local support the mobile units can provide.*
- *Rural businesses continue to need specialized technical assistance and access to capital. We are also finding that access to capital for start-ups continues to be a need. Revolving loan funds through CDFIs or other organizations might be helpful with lower owner investment percentages coupled with technical assistance from TSBDCs or SCORE.*
- *Latino owned businesses in East Tennessee experienced barriers to access supports prior to the pandemic, due to lack of knowledge of services, lack of language access and trust towards institutions. Very little effective outreach has been done with the Latino community.*
- *In my opinion, this is a great opportunity to increase the available investment dollars (particularly equity investments) available to TN-based companies, encouraging them to keep their businesses here. Could also be an effective recruitment tactic.*

Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Questions (2)

Survey respondents were asked a few open-ended questions, including, “What prevents your business (the businesses with whom you work) from growing at this point?” and “Looking ahead, with your business and the organizations that have assisted you in mind, what have we not asked and/or what else we should know?” **Here are some of their responses:**



Lender/Funder Respondents

- *Access to grant funds to support recovery lending and educational programs. These are high risk avenues to get capital to underserved entrepreneurs which require risk capital to leverage traditional capital.*
- *There is a great need for entrepreneurs and small businesses to get funding for the development stage of their business. Many entrepreneurs have a product ready to be produced, however, they lack the funding to see this portion of the plan completed. We need to support those entrepreneurs during this part of the innovation process.*
- *There continues to be strong differences in rural vs. urban economies and more distinction between how small businesses in these regions were impacted and have recovered would be helpful.*
- *SSBCI v 2.0 funds should be equitably allocated across Tennessee. Investors and lenders in East Tennessee are best positioned and best able to deploy capital efficiently and productively...*



Stakeholder/Resource Partner Respondents

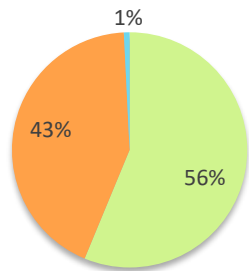
- *There continues to be limited access points for farmers who wish to sell direct to consumers, especially meat processing.*
- *Generally speaking, our industries exceeded expectations during the Covid.*

Tennessee State Small Business Credit Initiative (SSBCI) 2.0 | Survey: Demographics

Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee

Respondents were given the option to answer demographic questions at the end of the survey. The following data is from the 129 respondents who chose to answer the demographic questions as well as some outside sources when identified to provide context of the demographics of Tennessee as a whole.

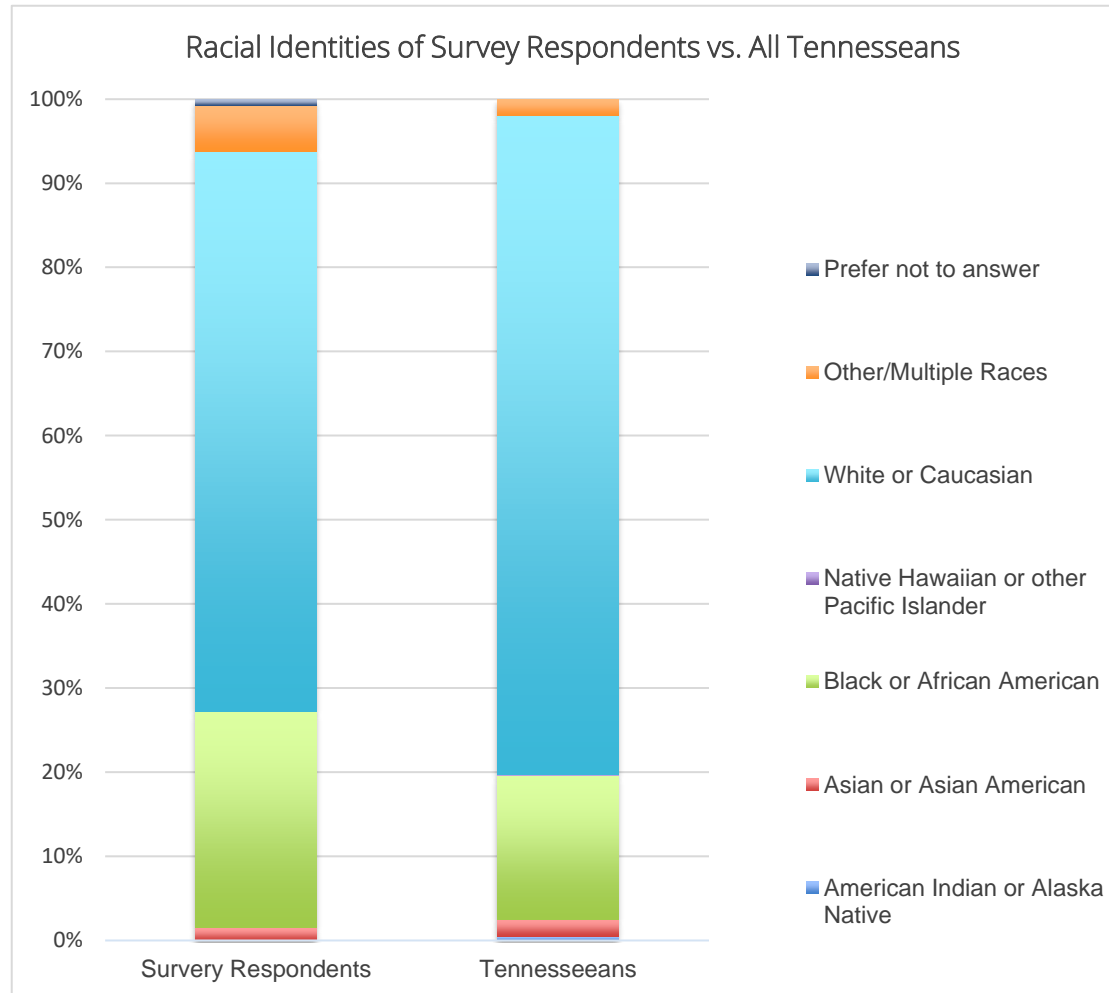
Gender Identity of Respondents



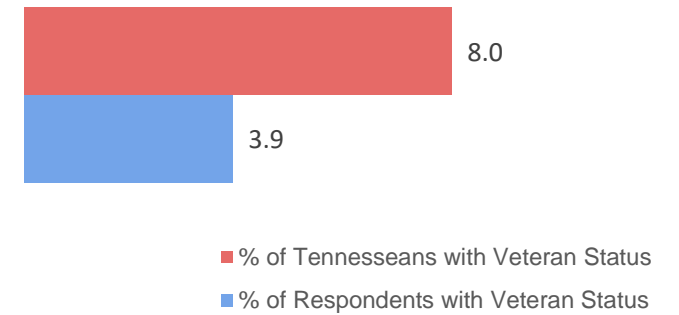
Female Male Nonbinary Prefer not answer

The sex distribution among female and male in Tennesseans is 51% female and 49% male. Gender Identity was tracked in the USD Census Data.

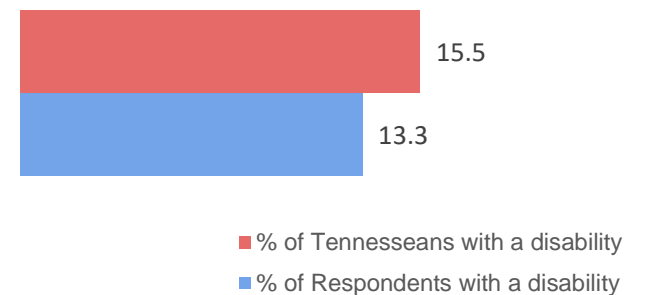
Source: US Census Data, [Quick Facts, Tennessee 2019](#)



Veteran Demographics Comparison



Disability Demographics Comparison



Source: TN Data race, veteran status and disability from [American Community Survey 2019](#)