



2013 THUMBSTACK.COM SMALL BUSINESS FRIENDLINESS SURVEY:
METHODOLOGY & ANALYSIS
Conducted in partnership with the Kauffman Foundation

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I. INTRODUCTION

The Thumbtack.com Small Business Friendliness Survey is a survey of small businesses nationwide. With this study we aim to learn what small businesses believe constitutes a healthy political and regulatory climate by having them rate how it is to do business in their specific location along various metrics.

This is the second annual release of the survey, which is conducted, analyzed and released in partnership with the Ewing Marion Kauffman Foundation. The first release of the study in May, 2012 received broad media and political attention and confirmed our belief that the viewpoints and economic health of small businesses matter a great deal to Americans.¹ This is with good reason. Over 99% of U.S. employer firms qualify as small businesses, and they employ half of all private sector employees.² Over the past two decades, almost two-thirds of net new private sector jobs have come from small businesses, and that number has accelerated in recent years.³

Long term growth in the United States is built upon the success of new enterprises.⁴ Furthermore, one effect of the Great Recession has been to encourage a larger-than-usual share of the unemployed and underemployed to start a business.⁵ Understanding this crucial segment of the economy is more important than ever. Research on startups and young companies points to the “role for well-designed corrective policies that help entrepreneurs start and grow dynamic young firms that in turn boost overall net job creation.”⁶

There are many rankings and indices that are designed to evaluate a particular city or state’s appeal to business. The Thumbtack.com Small Business Friendliness Survey differs from virtually all other such rankings in several meaningful ways.

The first is the method of scoring and ranking states and cities. Most business climate indices use publicly available statistics (such as unemployment rates, income per capita and tax rates) as proxies for a state’s friendliness towards business. We have taken a radically different approach, instead directly asking nearly 8,000 of the 275,000 small

¹ About 1,000 stories have been written on the study over the last year by outlets nationwide, including the [Wall Street Journal](#), [Slate](#), [CNN](#), [NPR](#), [CNBC](#), [ABC](#), [Huffington Post](#), [US News](#), [Entrepreneur](#), [Washington Post](#), [Forbes](#), [Fox Business](#), and many others.

² Exactly what constitutes a “small business” is the subject of some debate. The usual definition, used by the US Small Business Administration and many others, is a business with fewer than 500 employees. Unless otherwise noted, we follow this convention. U.S. Small Business Administration. “Frequently Asked Questions.” Sept. 2012. Web. 11 Mar. 2013. <http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf>.

³ *Ibid.*

⁴ Research by the Kauffman Foundation has shown that without new companies, there would be no net job growth in the U.S., both on average and in nearly every individual year. See Tim Kane, “The Importance of Startups in Job Creation and Job Destruction.” July 2010. Web. 18 Mar. 2013. <http://www.kauffman.org/uploadedfiles/firm_formation_importance_of_startups.pdf>.

⁵ R. W. Fairlie. “2012 Kauffman Index of Entrepreneurial Activity.” March 2012. Web. 25 Feb. 2013. <http://www.kauffman.org/uploadedfiles/kiea_2012_report.pdf>.

⁶ Haltiwanger, Jarmin, & Miranda. “Who creates jobs? Small vs. Large vs. Young.” NBER. August 2010, revised Nov. 2012, p. 29. Web. 17 Mar. 2013. <<http://www.nber.org/papers/w16300.pdf>>.



business owners who use Thumbtack.com’s service to rate their local and state environment across a variety of categories. In doing so, we are able to capture nuances that are difficult or impossible to measure through other data sources. For example, evaluating a state’s true tax burden on business is not simply a matter of looking at the corporate or personal income tax rate. A ranking based solely on one of those numbers fails to account for all the different ways in which a small business may be taxed and the varied incidences of those taxes on small businesses even within the same jurisdiction. In contrast, by asking the small businesses themselves to rate how they feel about their overall tax burden, all relevant taxes are considered while irrelevant ones are excluded.

Another notable difference lies in the study’s purpose. Many business indices are produced by organizations promoting a particular agenda or policy, such as lower taxes or deregulation.⁷ Our purpose is to accurately convey the attitudes and concerns of actual small business owners. This is consistent with the Kauffman Foundation’s mission to encourage practical and sustainable solutions that help individuals achieve entrepreneurial success and with Thumbtack.com’s mission to promote the stated interests of its business users without ideology or bias.

A third differentiator is the uniqueness of the data set itself. We are able to gather thousands of responses from small business owners across the country in a variety of industries. Very few organizations even attempt to gather this volume of information from such a variety of respondents because of the challenges and cost associated with its acquisition. The resulting scarcity of good data leaves the needs and opinions of this important economic group ignored or made the subject of speculation rather than accurate analysis.

A final differentiator of this study from others is the detail of the data and analysis. First, we rank and grade not just states but also fifty-seven major metropolitan regions and seventy-three regions within select states (*e.g.*, in Massachusetts, Central/Western Massachusetts vs. Metro Boston vs. Southeastern Massachusetts) against one another. Second, we measure the performance of states, cities, and regions within large states along a variety of detailed metrics. We assign ranks and grades based not only on “overall small business friendliness” but also on ten other metrics (*e.g.* the friendliness of professional licensing regimes, tax regulations and training and networking programs). We acknowledge that each metric applies unevenly to businesses even within the same jurisdiction and break out our survey responses accordingly. Many “business friendliness” studies assign only one score in measuring a state’s or city’s business friendliness and do not analyze states or cities across multiple metrics. Although assigning only one score

⁷ While these indices may be accurate enough within the measured dimension, attempting to extrapolate from this narrow focus to overall business climate leads to their reaching divergent conclusions. See Peter Fisher, “Grading Places.” Economic Policy Institute, 2005. See also Kolko *et al*, “Public Policy, State Business Climates, and Economic Growth.” NBER. April 2011, revised August 2012. Web. 15 Feb 2013. <<http://www.nber.org/papers/w16968>>.



makes comparison appear straightforward, we feel that this method oversimplifies a complex issue. Analyzing multiple metrics allows cities, states and state regions to identify their strengths and weaknesses and target any policy changes accordingly.

II. SURVEY QUESTIONNAIRE & DATA COLLECTION

The data were collected over a period of two months.⁸ A link was provided on the business login page of the Thumbtack.com website asking our small business users to take the survey, and the full text of the survey appears in Appendix A. We collected several types of data from the 7,766 respondents who completed the survey:

- A. Responses to survey questions regarding a location's friendliness towards small business.
 - These are responses to questions 4 through 17 of the survey. They cover topics including the state and local governments' overall support of small businesses, health insurance, regulations, training programs and online resources.
 - There is also a 'free form' question (question 18) which provided the opportunity to provide additional information on doing business in their state. About half of respondents answered this question.
- B. Responses to survey questions regarding the situation of respondents' businesses and general economic conditions.
 - These are responses to questions 19 through 31 of the survey.
- C. Demographic information connected to each respondent and his/her business. This information comes from both survey questions answered by the respondent and from Thumbtack.com's internal database.

III. REPRESENTATIVENESS OF SURVEY SAMPLE

The sample of businesses included in this survey is strikingly representative of businesses nationally along numerous metrics, with the exception that this sample is somewhat under-representative of the retail, wholesale, and manufacturing sectors and somewhat over-representative of the professional and nonprofessional services sectors.

The responses to our survey paralleled closely the geographic density of small businesses in the country as reported by the US Census Bureau.⁹ The response rates of only six states varied from their expected response rates by more than 1%, and California

⁸ The results were gathered from October 25th, 2012 to January 2nd, 2013.

⁹ Census Bureau data available at www.census.gov/epcd/susb/latest/us/us--.htm. Accessed on 13 Mar. 2013.



and New York were the only states to vary by more than 2%. The response levels of these two states were 4.5% higher and 2.2% lower than Census numbers, respectively.

In addition to geographic distribution, we evaluated the survey respondents along several other dimensions to ensure their representativeness. The racial and ethnic makeup of our respondents closely correlates with that of American small businesses generally. Among those surveyed, 76% identified as being a minority, compared to 77% of those questioned by the Census Bureau.¹⁰ On a more granular level, 8% of our survey respondents self-identified as Hispanic, identical to the percentage reported by the Census Bureau.¹¹ Compared to Census data, our survey slightly over-sampled African Americans (9% vs. 7%) and under-sampled Asians (2% vs. 6%). We also evaluated the gender representativeness of our sample. Census data reported 36% of businesses as female-owned and 64% male-owned, very close to the 37% female-owned/63% male-owned split of our sample.

We also compared the age and size of the businesses in our survey with those of the general business population. The Small Business Administration reports that 69% of small businesses are at least two years old, and 51% are at least five years old.¹² Our sample is very close to these numbers, with 76% over two years old and 57% at least five years old. According to US Census data, 91.6% of small businesses have between one and four employees.¹³ Another 3.8% have 5-9 employees, and 4.6% have 10 or more employees.¹⁴ Our survey respondents followed a very similar distribution: 89.3% have between one and four employees, 6.7% have 5-9 employees, and 4% have 10 or more employees.¹⁵

The sample of businesses in this survey is somewhat under-representative of the retail, wholesale, and manufacturing sectors and somewhat over-representative of the professional and nonprofessional services sectors. We would expect this, as Thumbtack is a website where consumers can hire local help from service professionals and it is primarily service professionals who market themselves on the site. Here is a table that compares Census data on the composition of U.S. businesses by industry with Thumbtack's sample:

¹⁰ Census Bureau data, available at <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SBO_2007_00CSA01&pro>. Accessed on 12 Mar. 2013.

¹¹ Our survey treats race slightly different than does the Census Bureau. We included only one question ("What is your race or origin?"). In contrast, the Census uses one question for race and another for ethnicity; the latter includes "Hispanic" as an option, the former does not.

¹² Available at <<http://web.sba.gov/faqs/faqindex.cfm?arealID=24>>.

¹³ This calculation is based on non-employer firms (i.e., firms with no employees besides the owner) and employer firms with fewer than 500 employees. The full data is available at <<http://www.census.gov/econ/smallbus.htm>>.

¹⁴ A more precise breakdown for 2008 Census:

2.3% have 10-19 employees, 1.9% have 20-99, and 0.3% have 101-500.

¹⁵ A more precise breakdown for Thumbtack.com survey results:

2.4% have 10-19 employees, 1.3% have 20-99, and 0.3% have 101-500.



	Census data ¹⁶	Thumbtack sample
Agriculture	0%	0%
Retail	11%	1%
Wholesale	6%	0%
Transportation	3%	3%
Manufacturing	5%	0%
Construction	13%	17%
Professional and Nonprofessional Services	57%	75%
Financial	4%	3%
Other	1%	1%

IV. RANKING AND GRADING METHODOLOGY

Part of our survey analysis was a ranking of states, cities, and regions within large states across a number of metrics. In addition to ranking these states, cities, and regions, we assigned grades of A+ through F to states and cities evenly on the basis of a state or city's rank on a particular metric. We calculated these ranks and grades by converting the survey responses to numerical scores and finding an average score for each state, city, or state region for each metric.

The ranked and graded metrics include:

1. Overall small business friendliness¹⁷
2. Ease of starting a small business
3. Ease of hiring a new employee
4. Overall regulatory friendliness¹⁸
5. Friendliness of health and safety regulations
6. Friendliness of employment, labor, and hiring regulations
7. Friendliness of tax code
8. Friendliness of licensing regulations
9. Friendliness of environmental regulations
10. Friendliness of zoning regulations
11. Availability of helpful training or networking programs

¹⁶ Census data available at <http://www.census.gov/epcd/susb/latest/us/us--.htm>.

¹⁷ The overall small business friendliness score was determined by combining the scores of three related questions:

- *States*: In general, how would you rate your state government's support of small business owners?
- *Cities & regions*: In general, how would you rate your local (county, city, or town) government's support of small business owners?
- Would you discourage or encourage someone from starting a new business where you live?
- How difficult or easy is it to start a business where you live?

¹⁸ A sum of the state or city's scores for questions 5 - 10.



Among the respondents who completed the survey, there were some who omitted answers to one or more questions. As with any survey analysis, there are two competing factors when deciding how to handle these missing responses. On one hand, more data are better than fewer. However, we are also sensitive to potential issues of response bias that could arise from using incomplete responses. To determine whether this was a serious issue, we compared the scores and rankings created using all of the responses with the scores and rankings created using only the responses from those respondents who answered every question. We found that there was little change, although the states whose total number of responses dropped towards the threshold response level tended to be more affected, which is almost certainly due to the fact that random variation in results increases as sample size decreases. This leads us to believe that including all available responses would allow for a more accurate and meaningful analysis.

Although we had respondents from every state, we excluded those states that did not have at least twenty respondents.¹⁹ In addition to comparing the performance of states, we divided a number of states into regions so that we could evaluate variation in survey responses intrastate. Finally, we also ranked the performance of fifty-seven major metropolitan areas against one another. Nearly five thousand of the respondents were also within one of these major metropolitan areas.

Finally, although we did not assign weights to the different questions, we did perform linear regressions on the data in an attempt to find meaningful trends. Using each respondent's "Overall Small Business Friendliness Score" as the dependent variable, we tested the predictive power of the other questions by using various combinations of the other questions as the predictive/independent variables.²⁰ The results confirmed many of our findings from the previous year, and we were able to expand our analysis in several areas as well.

V. ANALYSIS & DISCUSSION

Last year we found that the burden associated with the complexity, time-cost and monetary expenditures of obtaining and keeping licenses and permits was the most important issue for small businesses when rating the friendliness of their states. Given the significant role that this class of regulation played in last year's results, we delved deeper into the topic for this year's survey. Licensing and permitting regulations were again a more powerful predictor of a state's small business-friendliness than were taxes, even controlling for the businesses' different industries.²¹ The importance of licensing

¹⁹ This threshold excluded North and South Dakota, Wyoming, Montana, West Virginia, Alaska, Mississippi, Vermont and Delaware.

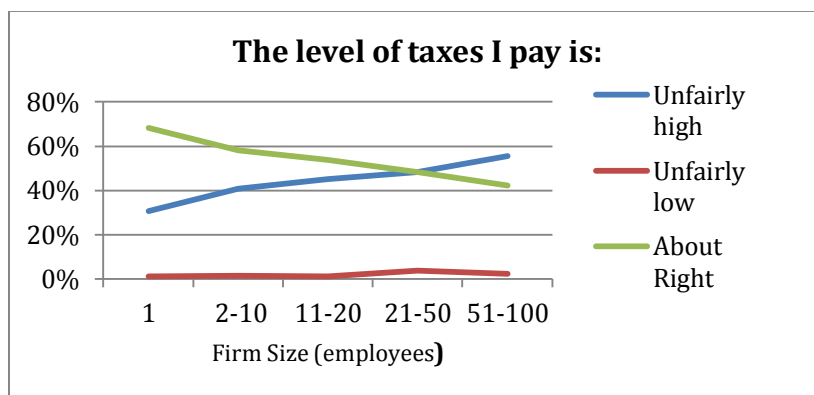
²⁰ Selected results can be seen in Appendix C.

²¹ Appendix C, Tables 1 & 3.

regulations was even more pronounced when evaluating individual states. Specifically, we performed regressions on the four most populous states (California, Texas, New York and Florida). Licensing and permitting requirements were the only type of regulation statistically significant for all four states.²²

We also found that over half of this year’s survey respondents are subject to at least one licensing regime. Of these businesses, nearly three-quarters are regulated under licensing regimes overseen by more than one level of government, with over 25% subject to licensing regimes at the city, county, state and federal levels. It is worth noting that these numbers are only for licensing regulations imposed by different levels of government and do not include various types of licenses that may be required by any single level of government. A business may be subject to multiple licensing regimes within a single level of government (e.g., a general contractor may be required to get a different license for every county in which he or she operates). Licensing requirements are most common at the state level, followed by the city and county levels.²³

We added a new question this year on the topic of taxes, asking small businesses whether they felt their tax levels were fair. In aggregate, over half reported paying about the right share of taxes. Only one-percent felt their taxes were too low, with the remaining third responding that that their tax levels were too high. We also looked at the responses grouped by political preference and business size. Political conservatives had the largest share of those who felt they paid an unfairly high level of taxes (45%), followed by independents (35%) and liberals/progressives (25%).²⁴ The size of the respondent’s business also played a large role in whether he or she felt the tax level was fair, as shown in the graph below.²⁵ The bigger the business, the more unfair the business owner thought was his or her tax rate.



²² Appendix C, Tables 4 through 7.

²³ The percent of respondents subject to at least one licensing requirement at each level: State: 76%; City/town/municipality: 66%; County: 49%; Federal: 38%

²⁴ The full results based on political preference are in Appendix C, Table 8a

²⁵ The full results based on business size are in Appendix C, Table 8b



As we observed in last year's survey, training and networking programs are important to small businesses. Business owners' awareness of relevant training and networking programs was a significant factor in determining how they rated a state's friendliness, more important than whether they felt their share of taxes was fair.²⁶ Labor and hiring rules were also a top concern for small businesses, nearly on par with taxes. In contrast, environmental regulations tended to be a comparatively insignificant factor.²⁷

Also new to the 2013 study was a question on race. One interesting finding was that African American small business owners were consistently the demographic most likely to encourage someone else to start a business, followed by Hispanic/Latino business owners. The trend held true across industry, education level, gender and age. Additionally, regression analysis confirmed this pattern while controlling for statewide and firm specific economic conditions and the respondent's rating of his/her state's general support of small business.²⁸ However, more research is needed to evaluate the potential causes of this trend.²⁹

We likewise added questions on past revenue and future hiring plans, health insurance, and online resources. Among all survey respondents, 45% reported an increase in revenue over the past twelve months and 32% reported a decrease in revenue over the same period. Regarding hiring, 23% planned on increasing the number of employees in the coming year, compared to 8% that anticipated a net decrease. The numbers were more positive for those businesses with five or more employees: 49% anticipated a net increase in headcount, with only 11% expecting a net decrease.

Health insurance was a major concern for many survey respondents.³⁰ In addition to coming up frequently in our free response question, one-third of the small business owners rated obtaining and keeping health insurance "Very Difficult," while only 6% rated it "Very Easy." While the numbers improve for larger companies, one in five owners of companies of more than fifty employees still rated health insurance "Very Difficult."

Creating and maintaining state and local online business resources has been a priority in many locales, and these resources have seen substantial growth in recent years. Arkansas, Iowa, Idaho and Utah were the top rated states for the ease of use of online resources.³¹ As might be expected, businesses less than a year old were more likely to have used the internet for formation than those over five years old (79% vs. 49%). However, this difference between new and more established firms evaporates when looking at usage

²⁶ Appendix C, Table 1, Table 10

²⁷ Appendix C, Table 3 and 4 through 7.

²⁸ Appendix C, Table 2

²⁹ The answers to the open-response question offer some potential explanations. These include a stronger sense of community and the comparatively lower barriers to starting a new enterprise versus obtaining employment at an established company.

³⁰ Appendix C, Table 9

³¹ This ranking was based on summing the average scores across three categories of online resources: those for starting and forming a business; those for paying taxes; those for obtaining a business license or permit.



rates for online resources for obtaining licenses and permits and for paying taxes, both of which averaged about 35% for all business ages.

For more information on any of our findings or to learn more about Thumbtack, please contact us at nathan.allen@thumbtack.com or sander.daniels@thumbtack.com.



Appendix A: Thumbtack Business Friendliness Survey

Thanks for participating in the Thumbtack Business Friendliness Survey!

This survey should take 5-8 minutes to complete.

This survey was developed in partnership between Thumbtack and the Kauffman Foundation and seeks to provide insight into the friendliness of state and local governments towards small businesses.

The results of this survey will be used by Thumbtack and the Kauffman Foundation to provide policymakers and researchers with valuable information on how small businesses feel about their state and local governments.

Individual responses to the survey will not be released outside of Thumbtack and the Kauffman Foundation, and all publicly released analysis of the survey's results will reflect only aggregate results.

Thanks again.

1. In which state do you primarily operate your business?
[DROP-DOWN LIST OF STATES]
2. In how many states does your business operate?
 - 1
 - 2-3
 - 4-5
 - 6 or more
3. Are 90% or more of your sales made to customers located within 50 miles of your company's primary location?
 - Yes
 - No
4. In general, how would you rate your state's support of small business owners?
 - Very supportive
 - Somewhat supportive
 - Neither supportive nor unsupportive
 - Somewhat unsupportive
 - Very unsupportive
5. In general, how would you rate your local (county, city or town) government's support of small business owners?
 - Very supportive
 - Somewhat supportive
 - Neither supportive nor unsupportive

- Somewhat unsupportive
 - Very unsupportive
6. Would you discourage or encourage someone from starting a new business where you live?
- Highly encourage
 - Somewhat encourage
 - Neither encourage nor discourage
 - Somewhat discourage
 - Highly discourage
7. How difficult or easy do you think it is to start a business in where you live?
- Very easy
 - Somewhat easy
 - Neither easy nor difficult
 - Somewhat difficult
 - Very difficult
8. How difficult or easy is it to obtain and keep health insurance at your business?
- Very easy
 - Somewhat easy
 - Neither easy nor difficult
 - Somewhat difficult
 - Very difficult
9. How difficult or easy is it to hire a new employee at your business?
- Very easy
 - Somewhat easy
 - Neither easy nor difficult
 - Somewhat difficult
 - Very difficult
 - Does not apply to my business

10. How unfriendly or friendly is your state or local government with regard to the following types of regulations:

	Very friendly	Somewhat friendly	Neither friendly nor unfriendly	Somewhat unfriendly	Very unfriendly	Does not apply to my business
Health and safety regulations	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6
Employment, labor and hiring regulations	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6
Tax code and tax-related regulations	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6
Licensing forms, requirements and fees	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6
Environmental regulations	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6
Zoning or land use regulations	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5	<input type="radio"/> 6

11. Does your profession require that you have a license, certification, or permit to do your job?

- Yes
- No

11a. How difficult or easy is it to comply with the licensing, certification, or permitting requirements of your profession?

- Very easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Very difficult

11.b. Which of the following types of agencies require that you have a license, certification, or permit to do your job?

	None	One	More than One
City, town, or other municipal agency	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3
County agency	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3
State agency	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3
Federal agency	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3

11c..How poorly or well enforced are the licensing, certification, or permitting requirements of your profession?

- Very well enforced
- Somewhat well enforced
- Neither well enforced nor poorly enforced
- Somewhat poorly enforced
- Very poorly enforced

12. How difficult or easy is it to understand and file your business's taxes?

- Very easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Very difficult

13. Do you think you pay your fair share of taxes?

- I pay an unfairly high level of taxes
- I pay the right share of taxes
- I pay an unfairly low level of taxes

14. Does your state or local government offer helpful training or networking programs for small business owners?

- Yes
- No
- I don't know



15. Did you use the internet to start/form your business?

- Yes
- No

15a. How difficult or easy was it to use the website when you formed/started your business?

- Very easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Very difficult

16. Have you used the internet to pay taxes on your business earnings?

- Yes
- No

16a. How difficult or easy was it to use the website when you paid taxes on your business earnings?

- Very easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Very difficult

17. Have you used the internet to get a license or permit to do business?

- Yes
- No

17a. How difficult or easy was it to use the website when you got a license or permit to do business?

- Very easy
- Somewhat easy
- Neither easy nor difficult
- Somewhat difficult
- Very difficult

18. Please let us know any experiences or thoughts you have regarding the ease of doing business where you live.

[BOX FOR COMMENTS]

18a. Would you be willing to be quoted in the press about your views on small business where you live?

[YES/NO DROPDOWN MENU]

19. Over the past 12 months, did your company's revenues:
- Increase a lot
 - Increase a little
 - Stay the same
 - Decrease a little
 - Decrease a lot
20. How do you expect the number of employees at your company to change in the next 12 months?
- Increase a lot
 - Increase a little
 - Stay the same
 - Decrease a little
 - Decrease a lot
21. How would you rate the situation of your state economy in comparison to the national economy?
- Substantially better
 - A little better
 - The same
 - A little worse
 - Substantially worse
22. How long has your business been operating?
- Less than 1 year
 - 1-2 years
 - 3-4 years
 - 5 or more years
23. How many people does your business employ?
- 1 – I work alone at my business
 - 2-5
 - 6-10
 - 11-20
 - 21-50
 - 51-100
 - 101 or more
24. What type of company is your business?

- Unincorporated or sole proprietorship
 - Limited liability company (LLC)
 - Partnership (LP, LLP, GP)
 - S-corporation
 - C-corporation
 - I don't know
25. Which best describes your position in your business?
- Owner and manager
 - Owner but not manager
 - Manager but not owner
 - Non-manager employee
26. Have you ever been an entrepreneur prior to your current company?
- Yes
 - No
27. What is your gender?
- Female
 - Male
28. What is your age?
- Under 25
 - 25-34
 - 35-44
 - 45-54
 - 55-64
 - 65 or above
29. What is your political preference?
- Strong conservative
 - Lean conservative
 - Independent
 - Lean liberal/progressive
 - Strong liberal/progressive
 - Other
30. What is the highest level of education you have reached?
- No high school

- High school
- Community college
- Technical college
- Undergraduate degree
- Master's degree
- Doctoral degree

31. What is your race or origin?

- White (Caucasian)
- Hispanic, Latino, or Spanish
- Black or African American
- Asian
- Other

Appendix B

Ranking Key

1. Overall small business friendliness
2. Ease of starting a small business
3. Ease of hiring a new employee
4. Overall regulatory friendliness
5. Friendliness of health and safety regulations
6. Friendliness of employment, labor, and hiring regulations
7. Friendliness of tax code
8. Friendliness of licensing regulations
9. Friendliness of environmental regulations
10. Friendliness of zoning regulations
11. Training and networking programs

Table 1: States

STATE	1		2		3		4		5		6		7		8		9		10		11	
Alabama	2	A+	5	A	1	A+	2	A+	7	A	2	A+	4	A+	3	A+	3	A+	2	A+	9	A-
Arizona	26	C+	23	B-	12	A-	19	B	16	B+	22	B-	20	B	21	B-	19	B	19	B	24	C+
Arkansas	19	B	28	C	14	B+	5	A	5	A	7	A	11	A-	11	A-	2	A+	4	A+	40	F
California	38	D	38	D	28	C	39	F	39	F	39	F	40	F	37	D	39	F	38	D	26	C+
Colorado	8	A	16	B+	13	A-	20	B	29	C	20	B	15	B+	16	B+	25	C+	22	B-	8	A
Connecticut	35	D+	33	D+	20	B	29	C	23	B-	31	C-	30	C-	29	C	33	D+	30	C-	5	A
Florida	31	C-	27	C	19	B	22	B-	22	B-	23	B-	14	B+	23	B-	24	C+	27	C	30	C
Georgia	10	A-	13	B+	6	A	12	A-	10	A-	14	B+	9	A-	12	A-	11	A-	10	A-	18	B
Hawaii	39	F	40	F	39	F	41	F	41	F	41	F	41	F	40	F	38	D	39	F	38	D
Idaho	4	A+	1	A+	8	A	3	A+	2	A+	4	A+	1	A+	1	A+	9	A-	12	A-	1	A+
Illinois	37	D	28	C	34	D+	28	C	19	B	27	C+	32	C-	34	D+	23	B-	23	B-	33	C-
Indiana	15	B+	15	B+	40	F	31	C	36	D	30	C-	38	D	14	A-	37	D	25	B-	34	C-
Iowa	21	B-	19	B	36	D	15	B+	9	A-	24	C+	12	A-	6	A	16	B+	20	B	4	A+
Kansas	7	A	6	A	27	C	14	B+	21	B-	13	B+	13	B+	9	A-	12	A-	13	B+	27	C
Kentucky	22	B-	26	C+	5	A+	27	C	33	D+	18	B	39	F	36	D	20	B	15	B+	34	C-
Louisiana	14	B+	17	B	21	B-	18	B	17	B	12	A-	16	B+	18	B	14	B+	28	C	7	A
Maine	40	F	33	D+	14	B+	11	A-	3	A+	8	A	23	B-	15	B+	14	B+	6	A	27	C
Maryland	27	C	22	B-	11	A-	23	B-	18	B	21	B-	22	B-	25	C+	21	B-	26	C+	15	B+
Massachusetts	30	C-	32	C-	35	D+	32	C-	28	C	33	D+	28	C	31	C-	36	D	31	C-	22	B
Michigan	36	D	37	D	25	C+	36	D	32	C-	32	C-	36	D	32	C-	34	D+	36	D	19	B
Minnesota	11	A-	12	A-	33	D+	25	C+	24	C+	25	C+	25	C+	27	C+	27	C	21	B-	23	B-
Missouri	28	C	21	B-	18	B	24	C+	20	B	29	C	23	B-	22	B-	26	C+	18	B	36	D+
Nebraska	20	B	36	D	32	C-	1	A+	1	A+	1	A+	2	A+	4	A+	1	A+	1	A+	2	A+

thumbtack

Nevada	12	A-	18	B	2	A+	9	A-	12	A-	16	B+	5	A	17	B+	7	A	8	A	11	A-
New Hampshire	3	A+	2	A+	3	A+	4	A+	4	A+	6	A	3	A+	2	A+	8	A	5	A	21	B
New Jersey	32	C-	30	C-	29	C	38	D	37	D	38	D	37	D	38	D	40	F	40	F	31	C
New Mexico	29	C	4	A+	37	D	40	F	40	F	40	F	33	D+	39	F	41	F	41	F	41	F
New York	33	D+	39	F	23	B-	35	D+	35	D+	37	D	34	D+	33	D+	30	C	34	D+	10	A-
North Carolina	13	B+	14	B+	31	C-	17	B	15	B+	17	B+	21	B-	20	B	18	B	16	B+	13	B+
Ohio	24	C+	24	C+	24	B-	16	B+	13	B+	19	B	19	B	13	A-	31	C-	14	B+	32	C-
Oklahoma	18	B	31	C-	30	C	10	A-	25	C+	11	A-	17	B	8	A	5	A	3	A+	25	C+
Oregon	25	C+	25	C+	22	B-	30	C	30	C	34	D+	27	C	30	C-	22	B-	32	C-	3	A+
Pennsylvania	34	D+	35	D+	38	D	34	D+	34	D+	35	D+	29	C	35	D+	32	C-	29	C	37	D+
Rhode Island	41	F	41	F	41	F	37	D	38	D	28	C+	35	D+	41	F	35	D+	37	D	27	C
South Carolina	9	A-	20	B	10	A-	21	B-	25	C+	10	A-	18	B	26	C+	17	B	35	D+	16	B+
Tennessee	16	B+	10	A-	7	A	13	B+	14	B+	8	A	8	A	19	B	13	B+	17	B	19	B
Texas	5	A	8	A	4	A+	6	A	6	A	3	A+	6	A	7	A	4	A+	7	A	12	A-
Utah	1	A+	3	A+	17	B	8	A	11	A-	15	B+	10	A-	10	A-	6	A	9	A-	14	B+
Virginia	6	A	7	A	9	A-	7	A	8	A	5	A	7	A	5	A	10	A-	11	A-	6	A
Washington	23	B-	11	A-	16	B+	33	D+	31	C-	36	D	31	C-	24	C+	28	C	33	D+	17	B
Wisconsin	17	B	9	A-	26	C+	26	C+	27	C	26	C+	26	C+	28	C	29	C	24	B-	39	D

Appendix B
Table 2: Cities

CITY	1		2		3		4		5		6		7		8		9		10		11	
Atlanta	15	A-	19	B+	11	A-	16	B+	17	B+	15	A-	11	A-	17	B+	14	A-	14	A-	22	B
Austin	1	A+	2	A+	6	A	9	A	10	A	6	A	12	A-	7	A	9	A	17	B+	3	A+
Baltimore	36	C	29	B-	14	A-	28	B-	24	B	30	B-	29	B-	29	B-	26	B-	24	B	34	C+
Boston	35	C+	44	C-	49	D+	38	C	35	C+	41	C-	27	B-	44	C-	41	C-	35	C+	41	C
Charlotte	23	B	11	A-	21	B	32	C+	26	B-	28	B-	42	C-	31	C+	32	C+	34	C+	33	C+
Chicago	45	C-	41	C-	39	C	26	B-	21	B+	23	B	33	C+	46	D+	22	B	22	B	32	C+
Cincinnati	55	F	53	D	44	C-	36	C	39	C	40	C	34	C+	42	C-	36	C	25	B	55	F
Cleveland	12	A-	35	C+	7	A	43	C-	25	B	35	C+	45	C-	36	C	45	C-	40	C	4	A+
Colorado Springs	4	A+	13	A-	5	A+	4	A+	8	A	8	A	7	A	3	A+	8	A	2	A+	16	B+
Columbus	9	A	3	A+	10	A	6	A	3	A+	10	A	10	A	5	A+	18	B+	5	A+	11	A-
Dallas-Fort Worth	7	A	4	A+	9	A	7	A	15	A-	4	A+	8	A	10	A	7	A	7	A	27	B-
Denver	13	A-	22	B	27	B-	27	B-	43	C-	24	B	22	B	19	B+	33	C+	33	C+	20	B+
Des Moines	19	B+	34	C+	50	D	24	B	29	B-	46	D+	5	A+	6	A	45	C-	49	D+	56	F
Detroit	43	C-	46	D+	35	C+	29	B-	28	B-	22	B	35	C+	24	B	24	B	37	C	14	A-
Fort Lauderdale	39	C	38	C	8	A	21	B	19	B+	20	B+	14	A-	38	C	20	B+	21	B	37	C
Honolulu	50	D	54	F	28	B-	56	F	56	F	55	F	55	F	57	F	47	D+	56	F	53	D
Houston	3	A+	6	A	13	A-	12	A-	5	A+	7	A	13	A-	23	B	11	A-	9	A	19	B+
Indianapolis	20	B+	24	B	51	D	44	C-	46	D+	48	D+	52	D	20	B+	44	C-	25	B	37	C
Jacksonville	26	B-	23	B	19	B+	17	B+	22	B	21	B+	18	B+	13	A-	25	B	15	A-	9	A
Kansas City	14	A-	16	A-	28	B-	19	B+	20	B+	36	C	24	B	14	A-	16	B+	13	A-	47	D+
Las Vegas	24	B	30	B-	2	A+	10	A	14	A-	17	B+	9	A	22	B	5	A+	3	A+	30	B-
Los Angeles	53	D	49	D+	22	B	52	D	52	D	50	D	48	D+	53	D	48	D+	50	D	40	C
Madison	21	B	8	A	12	A-	51	D	50	D	54	F	46	C-	40	C	52	D	51	D	50	D
Miami	52	D	50	D	33	C+	25	B	33	C+	27	B-	25	B	34	C+	17	B+	23	B	21	B
Milwaukee	33	C+	12	A-	20	B+	40	C	39	C	38	C	41	C	37	C	42	C-	39	C	44	C-
Minneapolis-St. Paul	17	B+	20	B+	43	C-	35	C+	36	C+	31	C+	38	C	41	C-	35	C+	30	B-	44	C-
Nashville	6	A	5	A+	15	A-	14	A-	16	B+	3	A+	4	A+	18	B+	13	A-	19	B+	15	A-
New Orleans	44	C-	42	C-	55	F	46	D+	45	C-	25	B	37	C+	51	D	51	D	47	D+	13	A-
New York City	37	C	52	D	18	B+	30	B-	38	C	37	C	32	C+	30	B-	15	A-	27	B-	6	A
Newark	57	F	57	F	53	D	57	F	57	F	57	F	57	F	56	F	55	F	57	F	44	C-
Oakland	51	D	45	C-	48	D+	53	D	54	F	52	D	51	D+	45	C-	54	F	55	F	24	B
Oklahoma City	18	B+	20	B+	3	A+	2	A+	4	A+	2	A+	1	A+	2	A+	4	A+	4	A+	30	B-
Omaha	11	A-	43	C-	54	F	1	A+	1	A+	1	A+	5	A+	1	A+	1	A+	12	A-	1	A+
Orlando	40	C	39	C	32	C+	33	C+	32	C+	34	C+	28	B-	27	B-	37	C	38	C	52	D
Philadelphia	48	D+	48	D+	37	C	50	D	47	D+	49	D+	44	C-	55	F	39	C	52	D	54	F
Phoenix-Mesa	34	C+	32	C+	25	B	31	C+	34	C+	32	C+	31	C+	28	B-	21	B	28	B-	42	C-
Pittsburgh	49	D+	47	D+	56	F	45	C-	37	C	44	C-	30	B-	49	D+	49	D+	40	C	47	D+

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Portland	30	B-	33	C+	38	C	42	C-	29	B-	42	C-	39	C	47	D+	31	C+	45	C-	5	A+
Raleigh-Durham	8	A	17	B+	40	C	11	A-	18	B+	12	A-	15	A-	11	A-	10	A	11	A	2	A+
Richmond	16	B+	9	A	52	D	8	A	5	A+	13	A-	21	B	4	A+	6	A	8	A	51	D
Rochester	27	B-	10	A	28	B-	48	D+	48	D+	45	C-	49	D+	50	D	50	D	36	C	25	B
Sacramento	56	F	37	C	47	D+	55	F	55	F	56	F	56	F	54	F	56	F	48	D+	43	C-
Salt Lake City	10	A	7	A	46	D+	22	B	23	B	19	B+	23	B	21	B	29	B-	29	B-	10	A
San Antonio	5	A+	25	B	17	B+	5	A+	5	A+	5	A+	2	A+	8	A	3	A+	18	B+	7	A
San Diego	54	F	55	F	41	C-	54	F	53	D	53	D	53	D	52	D	57	F	54	F	37	C
San Francisco	41	C	36	C+	44	C-	49	D+	41	C-	51	D	50	D+	48	D+	43	C-	53	D	16	B+
San Jose	46	D+	51	D	16	B+	34	C+	27	B-	33	C+	36	C+	25	B	38	C	40	C	23	B
Seattle	28	B-	14	A-	26	B	37	C	42	C-	39	C	40	C	32	C+	30	B-	44	C-	35	C+
St. Louis	25	B	28	B-	23	B	20	B+	13	A-	16	B+	20	B+	43	C-	19	B+	19	B+	28	B-
Tacoma	42	C-	31	C+	28	B-	47	D+	49	D+	47	D+	43	C-	33	C+	53	D	46	D+	36	C
Tampa	38	C	27	B-	34	C+	23	B	31	C+	29	B-	19	B+	26	B-	27	B-	31	C+	25	B
Tucson	31	C+	15	A-	4	A+	13	A-	12	A-	18	B+	3	A+	16	B+	12	A-	6	A	12	A-
Tulsa	47	D+	56	F	57	F	41	C-	51	D	43	C-	54	F	35	C+	34	C+	10	A	49	D+
Virginia Beach	2	A+	1	A+	23	B	15	A-	8	A	14	A-	16	B+	15	A-	28	B-	15	A-	29	B-
Washington, DC	22	B	40	C	1	A+	3	A+	2	A+	9	A	17	B+	9	A	2	A+	1	A+	7	A
Wichita	29	B-	26	B-	42	C-	39	C	44	C-	26	B-	47	D+	38	C	23	B	40	C	57	F
Winston-Salem	32	C+	18	B+	36	C	18	B+	10	A	11	A-	26	B-	12	A-	39	C	32	C+	16	B+

Appendix B

Table 3: State Regions

STATE REGION	1	2	3	4	5	6	7	8	9	10	11
Arizona											
Northern Arizona	3	3	3	1	1	2	2	1	1	1	3
Southeastern Arizona	1	1	1	2	1	1	1	2	3	2	1
Southwestern Arizona	2	2	2	3	3	3	3	3	2	3	2
California											
Bay Area	1	1	4	1	2	1	1	1	1	5	1
Central Coast	2	2	8	7	1	6	9	9	7	2	6
Central Valley	3	3	7	5	7	7	6	5	5	1	5
High Sierra	8	6	2	8	9	9	8	8	6	8	9
Inland Empire	6	5	6	2	3	3	3	2	3	4	8
Los Angeles	5	4	1	3	6	2	2	7	2	3	3
Northern California	9	7	9	9	8	5	7	4	9	9	2
Orange County	4	8	3	4	5	8	5	3	4	6	7
San Diego	7	9	5	6	4	4	4	6	8	7	4
Connecticut											
Eastern Connecticut	2	1	4	3	1	3	4	2	1	4	4
New Haven	4	3	1	1	2	1	1	3	2	3	2
River Valley	3	2	2	4	4	3	3	4	3	1	1
Western Connecticut	1	4	3	2	3	2	2	1	4	2	2
Florida											
East Central Florida	2	3	4	6	5	5	7	5	6	6	7
North Central Florida	5	5	7	5	7	7	4	6	1	1	6
Northeastern Florida	1	1	3	2	4	3	5	1	5	3	1
Northwestern Florida	7	7	1	1	1	1	1	3	4	2	2
Southeastern Florida	4	4	2	4	2	4	2	4	2	5	4
Southwestern Florida	6	6	6	7	6	6	6	7	7	7	5
Tampa Bay	3	2	5	3	3	2	3	2	3	4	3
Georgia											
Central Georgia	2	1	3	1	2	4	1	2	1	1	3
Metro Atlanta	1	2	2	2	3	2	2	3	2	2	2
Northern Georgia	4	4	1	4	4	1	4	4	4	3	1
Southern Georgia	3	3	4	3	1	3	3	1	3	4	4
Illinois											
Central Illinois	4	4	3	4	4	4	2	4	4	4	3
Metro Chicago	2	2	1	1	1	1	1	1	2	1	1
Southern Illinois	1	1	4	2	2	2	3	2	1	2	4
Western Illinois	3	3	2	3	3	3	4	3	3	3	2



Massachusetts

Central/Western Massachusetts	2	1	2	1	3	1	2	1	1	1	1
Metro Boston	1	2	3	2	1	2	1	2	2	2	3
Southeastern Massachusetts	3	3	1	3	2	3	3	3	3	3	2

Michigan

Metro Detroit	3	3	2	1	1	1	1	1	2	1	1
Southeast Lower Michigan	4	4	3	2	2	3	3	2	1	2	4
Southwest Lower Michigan	2	1	1	3	4	2	2	3	3	3	2
Upper/Northern Lower Michigan	1	2	4	4	3	4	4	4	4	4	2

Missouri

Central/Northern Missouri	4	4	4	4	4	4	4	4	4	4	4
Metro Kansas City	1	2	1	1	2	3	2	2	2	1	2
Metro St. Louis	2	3	2	2	1	1	1	3	1	3	1
Southern Missouri	3	1	3	3	3	2	3	1	3	2	3

New York

Central New York	8	8	5	8	8	8	8	8	8	8	8
Finger Lakes	1	2	3	5	7	4	5	5	5	2	5
Long Island	7	5	4	4	2	1	3	4	6	4	7
Lower-Hudson	4	6	8	1	3	2	2	2	2	2	4
Mid-Hudson	5	4	6	6	3	5	4	6	4	6	6
New York City	3	7	2	2	5	3	1	3	3	1	3
Southern New York	6	1	1	7	6	7	7	1	7	7	1
Western New York	2	3	7	3	1	5	6	7	1	5	2

Ohio

Central Ohio	1	1	1	2	3	3	2	2	2	2	1
Central Western Ohio	3	2	5	3	1	1	3	5	3	4	5
Eastern Ohio	2	4	2	4	4	4	4	3	4	5	2
Northwestern Ohio	4	3	4	1	2	2	1	1	1	1	3
Southwestern Ohio	5	5	3	5	5	5	5	4	5	3	4

Oregon

Central/Eastern Oregon	4	1	4	4	4	4	4	4	4	4	4
Metro Portland	2	3	3	3	1	3	3	3	3	3	3
Northwestern Oregon	3	4	1	2	2	1	1	2	1	1	1
Southwestern Oregon	1	2	2	1	3	2	2	1	2	2	2

Pennsylvania

Central Penn/Great Lakes	3	2	4	4	4	2	4	3	2	5	1
Metro Philadelphia	2	4	1	5	5	5	3	5	4	4	5
Metro Pittsburgh	4	3	5	3	2	3	2	2	5	3	4
Northeastern Pennsylvania	5	5	2	2	1	4	4	4	1	1	3
Pennsylvania Dutch Country	1	1	3	1	3	1	1	1	3	2	2

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South Carolina

Northeastern South Carolina	4	3	3	2	4	3	2	2	2	2	4
South Carolina Midlands	3	2	2	3	3	4	3	3	3	3	3
South Carolina Upstate	1	1	1	1	1	1	1	1	1	1	2
Southeastern South Carolina	2	4	4	4	2	2	4	4	4	4	1

Washington

Eastern Washington	4	5	3	2	2	3	4	2	2	1	1
Metro Seattle	3	3	2	1	1	1	2	3	1	2	4
Northwestern Washington	1	2	1	4	5	4	3	5	4	3	5
Southwestern Washington	2	1	4	3	4	2	1	1	3	5	2
Western Washington	5	4	5	5	3	5	5	4	5	4	3

Appendix C

Table 1: Overall

Independent variables: Firm revenue, State economy, Regulations, Industry
 Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.693
R Square	0.480
Adjusted R Square	0.478
Standard Error	2.113
Observations	2904

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	15	11912.268	794.151	177.890	0
Residual	2888	12892.834	4.464		
Total	2903	24805.10193			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	3.944	0.424	9.295	0.000	3.112	4.776
Revenue change last 12 m	0.257	0.034	7.665	0.000	0.192	0.323
State economy	0.424	0.038	11.217	0.000	0.350	0.498
Health & safety regulations	0.198	0.060	3.321	0.001	0.081	0.315
Employment, labor & hiring regulations	0.338	0.066	5.132	0.000	0.209	0.466
Tax code & tax-related regulations	0.326	0.058	5.634	0.000	0.213	0.440
Licensing forms, requirements & fees	0.422	0.049	8.589	0.000	0.325	0.518
Training/ networking programs	1.277	0.085	15.091	0.000	1.111	1.443
Business	0.007	0.420	0.017	0.986	-0.816	0.830
Care	-0.332	0.439	-0.756	0.449	-1.192	0.528
Events	-0.309	0.404	-0.766	0.444	-1.101	0.483
Health, Beauty & Wellness	-0.590	0.407	-1.448	0.148	-1.388	0.209
Home Maintenance & Repair	-0.458	0.398	-1.153	0.249	-1.238	0.321
Instruction	-0.225	0.425	-0.530	0.596	-1.060	0.609
Technology & Creative	-0.285	0.414	-0.687	0.492	-1.096	0.527
Vehicle	-0.936	0.452	-2.069	0.039	-1.823	-0.049

Appendix C

Table 2: Race

Independent variables: State support of small business score, Race, Firm revenue, State economy

Dependent Variable: 'Would you encourage someone to start a business where you live?' score

SUMMARY OUTPUT

Would you encourage someone to start a business

<i>Regression Statistics</i>	
Multiple R	0.549
R Square	0.301
Adjusted R Square	0.301
Standard Error	0.918
Observations	7311

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	6	2651.479163	441.913	524.728	0
Residual	7304	6151.250696	0.842		
Total	7310	8802.729859			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	1.531	0.043	35.336	0.000	1.446	1.616
State support of small biz	0.444	0.010	43.149	0.000	0.424	0.465
Black	0.333	0.039	8.599	0.000	0.257	0.409
Hispanic	0.148	0.040	3.700	0.000	0.069	0.226
Asian/Other	0.111	0.041	2.686	0.007	0.030	0.191
Revenue change last 12 m	0.103	0.009	11.303	0.000	0.085	0.121
State economy	0.110	0.011	10.264	0.000	0.089	0.131

Appendix C

Table 3: Overall

Independent variables: Firm revenue, State economy, Regulations

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.625
R Square	0.391
Adjusted R Square	0.390
Standard Error	2.139
Observations	4575

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	8	13401.835	1675.229	366.049	0
Residual	4566	20896.361	4.577		
Total	4574	34298.2			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	3.694	0.137	26.869	0.000	3.424	3.963
Revenue change last 12 m	0.268	0.027	9.865	0.000	0.215	0.322
State economy	0.468	0.031	14.972	0.000	0.407	0.530
Health & safety regulations	0.165	0.053	3.107	0.002	0.061	0.268
Employment, labor & hiring regs	0.370	0.056	6.585	0.000	0.260	0.480
Tax code and tax-related regulations	0.311	0.051	6.151	0.000	0.212	0.410
Licensing forms, reqs, & fees	0.401	0.045	8.985	0.000	0.313	0.488
Environmental regulations	-0.040	0.053	-0.757	0.449	-0.145	0.064
Zoning or land use regulations	0.198	0.048	4.101	0.000	0.103	0.292

Appendix C

Table 4: California

Independent variables: Firm revenue, State economy, Regulations

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.667
R Square	0.445
Adjusted R Square	0.440
Standard Error	2.291
Observations	794

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	8	3307.926	413.491	78.773	0.000
Residual	785	4120.554	5.249		
Total	793	7428.480			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	2.963	0.299	9.896	0.000	2.375	3.551
Revenue change last 12 m	0.356	0.069	5.130	0.000	0.220	0.492
State economy	0.484	0.083	5.835	0.000	0.321	0.647
Health & safety regs	-0.065	0.137	-0.472	0.637	-0.335	0.205
Employment, labor & hiring regs	0.455	0.158	2.881	0.004	0.145	0.765
Tax code & tax-related regs	0.033	0.145	0.228	0.820	-0.251	0.317
Licensing forms, reqs & fees	0.627	0.116	5.398	0.000	0.399	0.855
Environmental regs	-0.090	0.136	-0.658	0.511	-0.357	0.178
Zoning or land use regs	0.524	0.123	4.244	0.000	0.282	0.766

Appendix C

Table 5: Texas

Independent variables: Firm revenue, State economy, Regulations

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.582
R Square	0.339
Adjusted R Square	0.325
Standard Error	2.106
Observations	383

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	8	849.705	106.213	23.954	0.000
Residual	374	1658.348	4.434		
Total	382	2508.052			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	4.422	0.618	7.153	0.000	3.206	5.637
Revenue change last 12 m	0.273	0.090	3.035	0.003	0.096	0.450
State economy	0.521	0.129	4.028	0.000	0.267	0.775
Health & safety regs	-0.142	0.193	-0.732	0.464	-0.522	0.239
Employment, labor & hiring regs	0.519	0.201	2.579	0.010	0.123	0.915
Tax code & tax-related regs	0.415	0.181	2.298	0.022	0.060	0.771
Licensing forms, reqs & fees	0.467	0.157	2.974	0.003	0.158	0.776
Environmental regs	-0.191	0.179	-1.067	0.287	-0.544	0.161
Zoning or land use regs	0.092	0.167	0.551	0.582	-0.236	0.419

Appendix C

Table 6: New York

Independent variables: Firm revenue, State economy, Regulations

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.654
R Square	0.428
Adjusted R Square	0.404
Standard Error	2.121
Observations	201

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	8	646.728	80.841	17.978	0.000
Residual	192	863.372	4.497		
Total	200	1510.100			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	3.228	0.657	4.914	0.000	1.932	4.524
Revenue change last 12 m	0.207	0.132	1.573	0.117	-0.053	0.468
State economy	0.501	0.172	2.911	0.004	0.161	0.840
Health & safety regs	0.405	0.253	1.598	0.112	-0.095	0.904
Employment, labor & hiring regs	0.239	0.296	0.808	0.420	-0.345	0.823
Tax code & tax-related regs	0.419	0.250	1.677	0.095	-0.074	0.912
Licensing forms, reqs & fees	0.557	0.242	2.307	0.022	0.081	1.034
Environmental regs	0.299	0.252	1.187	0.237	-0.198	0.797
Zoning or land use regs	-0.462	0.231	-1.997	0.047	-0.918	-0.006

Appendix C

Table 7: Florida

Independent variables: Firm revenue, State economy, Regulations

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.572
R Square	0.328
Adjusted R Square	0.313
Standard Error	2.139
Observations	376

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	8	818.355	102.294	22.365	0.000
Residual	367	1678.642	4.574		
Total	375	2496.997			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	3.865	0.521	7.413	0.000	2.840	4.890
Revenue change last 12 m	0.321	0.099	3.243	0.001	0.127	0.516
State economy	0.372	0.112	3.317	0.001	0.152	0.593
Health & safety regs	0.460	0.197	2.333	0.020	0.072	0.848
Employment, labor & hiring regs	0.052	0.207	0.252	0.801	-0.354	0.458
Tax code & tax-related regs	0.195	0.175	1.118	0.264	-0.148	0.538
Licensing forms, reqs & fees	0.501	0.156	3.219	0.001	0.195	0.807
Environmental regs	-0.033	0.208	-0.160	0.873	-0.443	0.376
Zoning or land use regs	0.141	0.185	0.764	0.446	-0.223	0.506

Appendix C

Table 8a: Fair tax levels: Political Preference

Political Preference	Conservative	Independent	Liberal
I pay an unfairly high level of taxes	45%	35%	25%
I pay an unfairly low level of taxes	1%	1%	2%
I pay the right share of taxes	54%	64%	72%

Table 8b: Fair tax levels: Business Size

Firm Size (employees)	1	2-10	11-20	21-50	51-100
I pay an unfairly high level of taxes	31%	41%	45%	48%	56%
I pay an unfairly low level of taxes	1%	1%	1%	4%	2%
I pay the right share of taxes	68%	58%	54%	48%	42%

Appendix C

Table 9

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.644
R Square	0.415
Adjusted R Square	0.413
Standard Error	2.098
Observations	4550

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	9	14154.1	1572.68	357.25	0.000
Residual	4540	19985.5	4.402		
Total	4549	34139.6			

	<i>Coefficient</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	3.423	0.137	25.063	0.000	3.155	3.691
Revenue change last 12 m	0.238	0.027	8.854	0.000	0.185	0.291
State economy	0.442	0.031	14.324	0.000	0.382	0.502
Difficulty to obtain/keep health insurance at business	0.371	0.028	13.427	0.000	0.317	0.425
Health and safety regulations	0.143	0.052	2.747	0.006	0.041	0.245
Employment, labor and hiring regulations	0.368	0.055	6.663	0.000	0.260	0.476
Tax code and tax-related regulations	0.264	0.050	5.312	0.000	0.167	0.362
Licensing forms, requirements and fees	0.375	0.044	8.551	0.000	0.289	0.461
Environmental regulations	-0.046	0.053	-0.877	0.380	-0.149	0.057
Zoning or land use regulations	0.158	0.047	3.340	0.001	0.065	0.251

Appendix C

Table 10

Dependent Variable: Overall Small Business Friendliness Score

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.594
R Square	0.353
Adjusted R Square	0.350
Standard Error	2.348
Observations	2530

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	12	7572.406	631.034	114.464	0.000
Residual	2517	13876.05	5.513		
Total	2529	21448.45			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	7.084	0.488	14.502	0.000	6.126	8.042
Revenue change last 12 m	0.362	0.040	9.046	0.000	0.283	0.440
State economy	0.652	0.044	14.784	0.000	0.566	0.739
Training and Networking Programs	1.744	0.099	17.613	0.000	1.550	1.938
Tax share	-1.259	0.100	-12.581	0.000	-1.455	-1.063
Business	0.204	0.492	0.415	0.679	-0.761	1.170
Care	-0.184	0.517	-0.356	0.722	-1.198	0.829
Events	0.010	0.475	0.022	0.983	-0.920	0.941
Health, Beauty & Wellness	-0.311	0.479	-0.649	0.516	-1.250	0.628
Home Maintenance & Repair	-0.267	0.467	-0.571	0.568	-1.183	0.649
Instruction	0.071	0.501	0.141	0.887	-0.912	1.054
Technology & Creative	0.070	0.487	0.143	0.886	-0.886	1.025
Vehicle	-0.432	0.536	-0.805	0.421	-1.484	0.620