



U.S. Small Business  
Administration

# **FY 2018-2022 Enterprise Learning Agenda**

**FY 2021 Update**

**May 28, 2021**

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## Introduction

The Small Business Administration's (SBA) mission is to aid, counsel, assist, and protect the interests of small business concerns; to preserve free competitive enterprise; and to maintain and strengthen the overall economy of our nation. The SBA recognizes the importance of evidence and evaluation to understand and improve the efficiency and effectiveness of SBA programs and operations in pursuit of this mission. Evidence may come from a variety of sources, including program evaluations, performance data, audits, policy analyses, and traditional research. Rigorous evidence allows leadership to make sound decisions about program strategy, policy, operations, and resources.

The SBA maintains a centralized program evaluation and evidence-building function within the Office of Program Performance, Analysis, and Evaluation. The Agency supports evidence building and has developed this Enterprise Learning Agenda (ELA or learning agenda) to empower program managers to achieve their priorities while fostering an environment of continuous learning. The learning agenda is a 4-year plan that supports the Agency's implementation of the Foundations for Evidence-Based Policymaking Act of 2018<sup>1</sup> (Evidence Act). It identifies and prioritizes evidence that can provide insights about program, policy, or regulation effectiveness; progress toward desired outcomes; or test pilot initiatives or program adjustments.

The SBA will update the learning agenda to incorporate progress made each year and identify the policy, research, evaluation, and regulatory questions it plans to address in the annual evaluation plan. The evidence-building activities help answer the questions presented in the learning agenda and will continue to build a suite of evidence to inform decision-making. Results will be published on the SBA website<sup>2</sup>, and findings will be incorporated into the SBA's performance management framework to inform long-term strategy.

## Enterprise Learning Agenda Framework: SBA Strategic Goals

The SBA has organized its learning agenda by the strategic goals in the SBA's *FY 2018-2022 Strategic Plan* and identifies priority questions for each goal to build evidence and foster continuous learning. Each strategic goal is presented with an overview, a review of prior research, results of the SBA's evidence building activities, priority questions, and current and planned evaluations in alignment with OMB guidance.<sup>3</sup>

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<sup>1</sup> [www.congress.gov/115/plaws/publ435/PLAW-115publ435.pdf](http://www.congress.gov/115/plaws/publ435/PLAW-115publ435.pdf)

<sup>2</sup> [www.sba.gov/evaluation](http://www.sba.gov/evaluation)

<sup>3</sup> Learning agenda questions for strategic goals 1 through 3 address strategic questions (i.e., questions about mission programs, policies, and regulations), and strategic goal 4 questions address operational questions (i.e., questions about operations concerning human capital, grants, acquisition, financial, and information technology management).

The FY 2018-2022 strategic goals are:

1. Support small business revenue and job growth;
2. Build healthy entrepreneurial ecosystems and create business friendly environments;
3. Restore small businesses and communities after disasters; and
4. Strengthen the SBA's ability to serve small businesses.

The SBA has identified the most important questions to successfully achieve its mission. These questions support one of SBA's strategic goals and/or stem from important stakeholder input such as Congress, the U.S. Government Accountability Office (GAO), or the SBA Office of Inspector General.

The Evidence Act ensures that learning agenda questions be considerate of a broad range of Agency priorities, including regulations and policies; defines questions as either long-term or short-term; and identifies questions best suited for external engagement. Long-term questions support the SBA's understanding of intermediate outcomes, long-term outcomes, or program impact; answer questions that require multi-stage or multi-program evidence building; or are substantially impacted by external factors. Short-term questions may be answered using rapid iterative testing, existing data, or literature reviews. Additionally, the SBA has identified questions that inform our understanding of program performance. For example, questions that support program managers' understanding of customer satisfaction and experience may be likely to be answered in the short-term but require long-term monitoring.

## Stakeholder Engagement

The SBA engaged key stakeholders in the development of the learning agenda. Collaboration with internal and external stakeholders helped the SBA expand and better define questions, which also promoted transparency. Some questions may benefit from engagement with external researchers or stakeholders where some data necessary to answer a question may reside outside the Agency, where SBA data may be made available to external researchers interested in SBA research questions, when external stakeholders share questions and priorities with the SBA, and when the answer to the question has broad implications outside the Agency. However, the SBA welcomes input and collaboration from external stakeholders on all questions.

The SBA gathered employee input through meetings, correspondence, and the SBA's Evidence and Evaluation Community of Practice. The Agency holds quarterly deep dive performance reviews and an annual strategic objective review with senior leadership to discuss performance. At these sessions, key questions emerge and have been integrated, where appropriate. The SBA's program evaluators conduct learning agenda sessions with leadership and issue annual evidence and evaluation guidance to solicit proposals for new evidence-building projects. During internal reviews, the SBA issues communication through the SBA Daily to seek feedback.

When the SBA decides to conduct an evaluation, SBA program managers serve as a key partner. The evaluation team engages them to better understand and formulate their evaluation questions, adequately determine available data, better understand program needs, and help interpret findings. The team involves program managers throughout the course of the evaluation and discusses how the results may be used during strategic discussions.

To gather input from stakeholders, the SBA has sought feedback through various channels such as Federal Register Notices<sup>4</sup>, the FedEval Listserv, and outreach and letters to research organizations, professional associations, state and local economic development organizations, trade groups, and think tanks. The SBA considers these conversations to be ongoing and continually consults stakeholders.

Significant evaluations, identified in the Agency's annual evaluation plan, will be disseminated publicly upon their completion. The SBA frequently presents on the results to interested internal and external stakeholders. For example, the SBA has presented findings to its Evidence and Evaluation Community of Practice, interagency committees, councils, trade associations, and grantees.

## Challenges and Proposed Solutions

Although the SBA has begun to expand capacity for evidence-based decision-making, some challenges remain. First, the SBA, along with most federal agencies, struggles to identify or collect quality data to conduct rigorous analyses. Collecting data of adequate quality for analysis can be expensive and burdensome on the respondent and the Agency. Additionally, barriers to access or restrictions on use of data for evaluation pose challenges. The SBA has explored the use of administrative data and works to ensure that it can be used for statistical and evaluation purposes (e.g., creating data documentation, updating System of Records Management Notices to include approved uses, or collecting quality data). The SBA has created a Data Management Community of Practice and a Data Strategy and will continue to implement the Federal Data Strategy. These actions will help the SBA overcome this challenge.

Even when rigorous evidence or appropriate data are available, SBA staff must have the capacity to identify and use them for decision-making. The SBA recognizes the importance of building staff capacity and has established mechanisms to support this activity. The SBA manages an Evidence and Evaluation Community of Practice that brings together evaluation, analysis, and data practitioners across the Agency to discuss issues and provide training. The SBA also identifies evidence and discusses how it may apply to decision-making through

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<sup>4</sup> The SBA received four comments specific to SBA program offices. The comments were shared with the respective programs managers and addressed, where appropriate.

various senior leadership forums, including quarterly deep dive performance reviews. The SBA is developing an Evidence Capacity Assessment, which will support internal capacity building. The SBA has also appointed its Chief Data Officer, Evaluation Officer, and Statistical Official in accordance with the Evidence Act and U.S. Office of Management and Budget (OMB) guidance. These officials continue to promote the use of data and evidence.

## Methods and Data Sources

The SBA strives to conduct more evidence-building activities to understand and advance its mission. These activities include formative and summative program evaluations, program performance measurement, analysis and dashboarding, regulatory analyses, and research. The methodology for each activity is tailored to the question(s) of interest, and may involve one or more of the following: experimental and quasi-experimental designs, descriptive and inferential statistics, mathematical or econometric modeling, and data visualization, literature reviews or foundational fact finding, and qualitative research methods.

To conduct low-cost and timely evidence-building activities, the SBA frequently utilizes administrative data from its own programs and from other state and federal sources. The SBA maintains many administrative datasets and frequently reviews them to improve their quality and relevance for evidence building. The SBA 's publicly available data can be found at [www.sba.gov/data](http://www.sba.gov/data). Additionally, the SBA frequently uses federal contracting data found at [beta.sam.gov](http://beta.sam.gov) for evidence-building related to its government contracting programs and uses publicly available data and statistics from the U.S. Census Bureau to understand the general small business landscape.

The SBA is also making more administrative data available to researchers through the U.S. Census Bureau's Federal Statistical Research Data Centers. This partnership between the SBA and Census allows researchers to use SBA data to build rigorous evidence while maintaining security and privacy protections. In FY 2020, SBA transferred 7(a) and 504 loan data to Census under this agreement and the agencies are actively collaborating to share more administrative data. To supplement administrative data use and data-sharing agreements, SBA conducts its own primary and secondary data collection as needed for evidence-building efforts, most often in the form of surveys, interviews, focus groups, and literature reviews.

## COVID-19 Pandemic

While the SBA developed its learning agenda in 2018, the world and subsequently SBA's focus in FY 2020 has changed due to the coronavirus (COVID-19) pandemic. By March 17, US states and localities began closing non-essential businesses and encouraging residents to stay home to reduce transmission. To combat the effects to the economy, the Coronavirus Aid, Relief, and Economic Security (CARES) Act became law. The CARES Act established the Paycheck Protection Program, a new forgivable guaranteed loan program and the Economic Injury Disaster Loan (EIDL) Advance grant, a new EIDL loan provision that allows an advance of up

to \$10,000 for businesses that does not have to be repaid. The CARES Act also provided debt relief for current borrowers of SBA's 7(a), 504, and Microloan programs. Future iterations of the ELA will discuss the impacts of the American Rescue Plan Act and subsequent legislation.

At the outset of the pandemic, the SBA immediately began creating a plan for building and using evidence to guide decision-making. Along with reviews and analyses of internal program data, the SBA gathered evidence from external sources and worked with the U.S. Census Bureau to include questions important to the SBA in the weekly Small Business Pulse Survey. The SBA began conducting a literature review on topics related to emerging small business issues and the rapidly changing economic environment. Then, the SBA worked with the Library of Congress's Federal Research Division to further refine this literature review and conduct an environmental scan on a series of topics relevant for policy and program decision-making. The SBA also partnered with the MITRE Corporation to conduct further research on topics related to small business recovery. The SBA has also been expanding partnerships with other agencies, including the Office of Evaluation Sciences at the U.S. General Services Administration to better understand community-based approaches that localities have taken to help small businesses. These partnerships have greatly expanded the evidence-base, which have supported a whole-of-government approach to tackle this national issue.

All SBA programs and their stakeholders have been affected by the complexities caused by the pandemic. To continue building evidence, the SBA has added new questions to the learning agenda. These questions have been designated as priority through consultation with stakeholders. They may not, however, encompass all questions related to small business recovery or effects on or from SBA programs. Additionally, the ongoing challenges for small businesses related to the pandemic are uncertain. Over the next year, the SBA will incorporate emerging evidence to further our understanding of small business issues, refine these questions, and integrate them and other evidence into the *FY 2022 – 2026 Enterprise Learning Agenda*. Evidence-building activities that stem from these questions can help refine SBA's response to current challenges and inform SBA's strategies to respond to future disasters.

## Key Research and Evaluation Questions

Long-term questions:

1. Were businesses that received an EIDL or PPP loan more likely to have survived and/or achieved revenue, profit, or sales parity more quickly post-pandemic than those businesses that did not?<sup>5</sup>
2. What is the impact of debt-forgiveness loan repayment on portfolio risk?\*

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<sup>5</sup> Questions with an asterisk (\*) denote those likely to benefit from external collaboration in evidence building.

3. What support do businesses in underserved markets need to successfully survive or recover compared to non-underserved businesses?\*
4. How can the SBA help small businesses re-enter export markets?\*
5. How has the implementation and delivery of technical assistance changed in response to the pandemic?
6. How have SBA's counseling and training programs influenced small business outcomes post-pandemic?\*

Short-term questions:

1. What approaches can the SBA adopt to convert PPP lenders into its regular 7(a) lender portfolio to expand support to more small businesses?
2. Were there differences in the way lenders processed or facilitated PPP lending based on lender characteristics (e.g., size, previous 7(a) lender, type of institution)?
3. How can the SBA reduce fraud within its CARES Act programs?
4. How can the SBA most effectively service COVID-EIDL loans?
5. What kind of training and technical assistance do small businesses need to aid in their recovery and reopening?\*
6. How can the SBA help entrepreneurs leverage new market opportunities (e.g., new products or services) created by the pandemic?\*
7. What strategies can the SBA implement to help women, minority, and other underserved entrepreneurs recover more quickly from the pandemic?\*



## Strategic Goal 1: Support small business revenue and job growth

Small businesses are America’s job creators and account for nearly 65 percent of private-sector net job creation.<sup>6</sup> Strategic goal 1 supports small business revenue and job growth and includes SBA programs for capital, investments, international trade, innovation, and government contracting. It includes the following three strategic objectives:

1. Expand access to capital;
2. Help small business exporters succeed in global markets; and
3. Ensure federal contracting and innovation set-aside goals are met and/or exceeded.

### Prior Research

The identified studies in this section include research developed by or in conjunction with the SBA and represent a mix of program evaluations, special topic reports, performance reviews, and audits. These studies are not intended to be a comprehensive review of all relevant, available evidence but rather a snapshot of critical evidence for SBA programs. Additional research is identified in the appendix.

Community Advantage Pilot Program Analysis (2018).<sup>7</sup> This study compared the Community Advantage loan portfolio, a pilot initiative to increase lending to underserved communities, with the 7(a) loan portfolio. Although the program remains in its initial operational testing phase, preliminary results indicated that Community Advantage loans exhibit more risk than 7(a) loans, demonstrating higher early problem loans and early default rates.<sup>8</sup>

Do SBA Loans Create Jobs? Estimates from Universal Panel Data and Longitudinal Matching Methods (2012).<sup>9</sup> This study estimated the effects of SBA 7(a) and 504 loans on employment by linking SBA loans in these programs to universal data on all employers in the economy from 1976 to 2010. The results showed positive average effects on loan recipient employment of nearly 25 percent or 3 jobs at the mean and an increase of about 5.4 jobs for each million dollars of loans.

Evaluating the Small Business Administration’s Growth Accelerator Fund Competition Program (2018).<sup>10</sup> This study presented the results of the growth accelerators program, including information on market and job support. Focused on the first 3 years of the program

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<sup>6</sup> [www.sba.gov/sites/default/files/files/an%20analysis%20of%20small%20business%20and%20jobs\(1\).pdf](http://www.sba.gov/sites/default/files/files/an%20analysis%20of%20small%20business%20and%20jobs(1).pdf)

<sup>7</sup> [https://www.sba.gov/sites/default/files/2020-11/Executive\\_Summary-Community\\_Advantage\\_Evaluation\\_-\\_June\\_21\\_2018\\_2.pdf](https://www.sba.gov/sites/default/files/2020-11/Executive_Summary-Community_Advantage_Evaluation_-_June_21_2018_2.pdf)

<sup>8</sup> The pilot program is scheduled to run through FY 2022.

<sup>9</sup> [www2.census.gov/ces/wp/2012/CES-WP-12-27.pdf](http://www2.census.gov/ces/wp/2012/CES-WP-12-27.pdf)

<sup>10</sup> [www.sba.gov/evaluation](http://www.sba.gov/evaluation)

(2014-2016), the evaluation showcased how accelerators attempt to fill market gaps across the country and what impacts they have had on communities not typically represented by accelerators.

Evaluation of the Small Business Procurement Goals (2014).<sup>11</sup> This study assessed the Federal Government's small business procurement goals and found that over 80 percent of federal procurement is concentrated in four sectors: Construction; Professional, Scientific, and Technical Services; Administrative and Support, Waste Management and Remediation Services; and Manufacturing. Additionally, the assessment found that the underutilization of small businesses is present in the relatively low levels of dollars awarded to small business contractors rather than the total number of contracts awarded.

Finance and Growth at the Firm Level: Evidence from SBA Loans (2016).<sup>12</sup> By linking datasets for SBA loans and lenders to all employers, the study estimated the effects of financial access on employment growth. The results showed an increase of 3 to 3.5 jobs for each million dollars of loans, suggesting real effects of credit constraints. The estimated impacts are stronger for younger and larger firms and when local credit conditions are weak.

Small Business Administration: Actions Needed to Improve Confidence in Small Business Procurement Scorecard (2018).<sup>13</sup> This audit examined the SBA's progress in the implementation of its revised small business procurement scorecard. A comprehensive evaluation to assess the effects of the changes to the scorecard methodology and the establishment of a process for disseminating scorecard-related information were recommended.

Small Business Administration and Job Creation (2019).<sup>14</sup> This study examined economic research on net job creation and examined the arguments for providing federal assistance to small businesses. The research suggested that business startups play an important role in job creation, but net job creation varies by firm size. Additionally, startups may have a more limited effect on net job creation over time because fewer than half of all startups are still in business after 5 years.

The Impact of SBA Lending Activity on Micropolitan Statistical Areas in the U.S. Southeast (2017).<sup>15</sup> This study evaluated the impact of guaranteed loans on economic activity across 153 micropolitan statistical areas in 12 southeastern states between 1990 and 2015. The results of the analysis demonstrated that SBA-backed loans have a positive and significant effect on economic

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<sup>11</sup> [www.sba.gov/sites/default/files/files/rs423tot.pdf](http://www.sba.gov/sites/default/files/files/rs423tot.pdf)

<sup>12</sup> [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2641184](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2641184)

<sup>13</sup> [www.gao.gov/assets/700/694777.pdf](http://www.gao.gov/assets/700/694777.pdf)

<sup>14</sup> [fas.org/sgp/crs/misc/R41523.pdf](http://fas.org/sgp/crs/misc/R41523.pdf)

<sup>15</sup> [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3043408](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=3043408)

output and employment growth. Additionally, SBA guaranteed lending influenced sector composition and demographic factors.

U.S. Small Business Administration Loans and U.S. State-level Employment (2019).<sup>16</sup> This study examined the relationship between the SBA's 7(a) and 504 lending programs and state-level employment from the early 1990s to 2013 using quarterly U.S. state-level data. The results showed a positive statistical relationship between the growth in SBA lending per capita and the change in the state's civilian employment rates. These findings support the idea that SBA lending programs may help foster better economic development and employment.

## What We Learned in FY 2020

The **Small Business Investment Companies (SBIC)** Program seeks to stimulate and supplement the flow of private equity capital and long-term loan funds to small businesses that need it for the sound financing of their business operations and for their growth, expansion, and modernization when such capital is not available in adequate supply. Rural businesses, however, may not be able to access this capital in the same way that urban businesses do. This evaluability assessment and market analysis sought to clarify if adequate data exist or can be feasibly collected to support a more in-depth evaluation on the unique capital needs of small businesses in differing geographic locations like rural areas. This study reviewed a variety of data sources for coverage, quality, recency, and geographic granularity. It determined that available data could support evaluations of market coverage; however, it would be difficult to understand demand for the SBIC program at the granularity required using existing datasets.<sup>17</sup>

The **Surety Bond Guarantee (SBG)** program guarantees bid, payment, and performance bonds for small and emerging businesses that cannot obtain traditional commercial surety bonds. For FY 2018, the SBA reduced the fees to participate in the program, which are used to cover losses from defaults, as an experiment to understand how this change would affect program use, the number and value of bonds guaranteed, the characteristics of businesses in the portfolio, risks associated with guaranteeing bonds, and surety firms and agents' perceived value of fee reductions to expand clientele and value of approved bonds.

The evaluation employed interrupted time series modeling (using administrative data) to determine whether the fee reductions influenced the number of bonds guaranteed and the total contract values of the guaranteed bonds. Additionally, a survey of surety firms and agents examined their perceptions of the fee reductions and the associated value. The study found that the fee reduction did not increase the number or value of SBG bonds and did not materially alter the characteristics of small businesses in the portfolio. While the study period was not long

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<sup>16</sup> [link.springer.com/article/10.1007/s12197-019-09495-3](https://link.springer.com/article/10.1007/s12197-019-09495-3)

<sup>17</sup> <https://www.sba.gov/sites/default/files/2020-11/SBIC%20Rural%20Investments.pdf>

enough to fully explore the risk of default associated with the fee reduction, initial data did not find an increased risk. The survey of surety firms and agents clarified that the fee is not the primary factor for considering when to provide a bond, so a reduction in the fee may not result in increased bonding. However, surety firms and agents that constitute a larger proportion of SBA's SBG portfolio were more likely to agree that the lower fee structure would result in additional bonding.<sup>18</sup>

## Key Research and Evaluation Questions

Long-term questions:

1. How does technical assistance impact loan performance?\*
2. How do small businesses use external capital to grow and leverage additional capital?\*
3. What methods promote SBA lending and build lender capacity?\*
4. What impact does lending have on long-term job creation, revenue growth, and export sales?\*
5. How can the SBA best support small business growth in markets in socially and economically disadvantaged communities?\*
6. What changes should be made to the SBIC Program to maintain or improve its relevance in the context of modern capital formation, private capital markets, and a mature private equity industry?\*
7. What factors most influence the Federal Government's ability to reach its small business contracting goals?\*
8. How can the SBA increase the use of its Surety Bond Guarantee Program while minimizing risk?

Short-term questions:

1. What regulatory, policy, or process improvements could be made to help strengthen the SBA's oversight and risk management of its programs?
2. How can the SBA continue to further build state and territory government export capacity?\*
3. Should the SBA vary its export assistance by market segment?
4. How can the SBA improve its ability to manage and mitigate credit, lender, and third-party risk?
5. What is the best way to ensure that only qualified small businesses that would be unable to access capital on reasonable terms through conventional means receive SBA guaranteed loans?\*

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<sup>18</sup> [https://www.sba.gov/sites/default/files/2020-11/SBA\\_SBG\\_Fee\\_Evaluation\\_Final\\_Report\\_%2844f2eca0-121b-4675-ae61-946e30309485%29-508.pdf](https://www.sba.gov/sites/default/files/2020-11/SBA_SBG_Fee_Evaluation_Final_Report_%2844f2eca0-121b-4675-ae61-946e30309485%29-508.pdf)

6. How satisfied are small business borrowers or other recipients of the SBA's capital access products?

## FY 2021 and FY 2022 Planned Evidence Building Activities

The SBA began conducting a joint statistical project with the U.S. Bureau of the Census on its **7(a) Loan and 504 Loan** Programs. This agreement provides researchers with access to the SBA's loan data at the Census to better understand the outcomes and impact of the loan programs on employment and business revenue. The agreement also makes the data available for approved projects to researchers through the Federal Statistical Research Data Centers.

The **State Trade Expansion Program (STEP)** is a trade and export initiative to make grants for states to assist eligible small businesses to enter and succeed in the international marketplace. The program helps increase the number of small businesses that export and the value of exports for those small businesses currently exporting. This evaluation, which began in FY 2020, will provide the SBA with an understanding of which STEP activities contribute to or are associated with improved outcomes.

This evaluation builds evidence on the following ELA question:

- How can the SBA continue to further build state and territory government export capacity?

The primary questions for this evaluation include:

- Are STEP grantees increasing the value of small business exports, reaching new clients, and producing new exporters?
- Which STEP activities contribute most to client outcomes (e.g., increase in new-to-exporting small businesses and an increase in the value of export sales)?
- What are best practices for STEP grantees that improve client outcomes?

This evaluation includes a quantitative analysis of STEP grantee outcomes (e.g. export sales, new export markets entered using information from grant applications, grantee progress reports, grantee client reports, and public data on grantees from USASpending.gov. The evaluation also includes a qualitative analysis, using stakeholder interviews and focus groups to explain best practices and activities that contribute to client outcomes.

In FY 2021, the SBA will evaluate its **Microloan** Program, which integrates technical assistance and training with microlevel financing to women, low-income individuals, minority entrepreneurs, and other small businesses. This evaluation seeks to provide a better understanding of the program outcomes and how technical assistance may affect these outcomes.

This evaluation builds evidence on the following ELA questions:

- How does technical assistance impact loan performance?

- How can the SBA best support small business growth in markets in socially and economically disadvantaged communities?

The primary questions for this evaluation include:

- What are the job creation/retention and revenue outcomes of Microloan Program borrowers?
- How do job creation/retention and revenue outcomes vary by business characteristic?
- What types, frequency, duration, intensity, and delivery modes of technical assistance are being provided to Microloan Program borrowers?
- How does the type, frequency, duration, intensity, and delivery mode of technical assistance affect Microloan borrower job creation and retention outcomes?

This evaluation will assess performance outcomes (e.g. number of employees, revenue, business survival, new business formation) for borrowers' businesses. Data sources include SBA administrative data, InfoGroup's US Historical Business Data, surveys administered to businesses and intermediaries, and semi-structured interviews with businesses and intermediaries.

In FY 2021, the SBA will investigate the effectiveness of the revised **Small Business Procurement** scorecard in promoting small business procurement opportunities and on federal agency small business contracting goal achievement. The small business procurement scorecard is designed to influence agency behavior to achieve these outcomes.

This evaluation builds evidence on the following ELA question:

- What factors most influence the Federal Government's ability to reach its small business contracting goals?

The primary questions of this evaluation will be:

- How does the small business procurement scorecard affect progress toward a federal agency's achievement of their small business contracting goals?
- How does the small business procurement scorecard and associated processes affect contracting opportunities available to small businesses?
- What factors or processes that the SBA uses to develop the goals and scorecard most influence progress toward goal achievement (e.g., negotiation of the goals, the public reporting of the scorecard, scorecard calculation methodology, etc.)?

This analysis will include a qualitative component, using semi-structured interviews with SBA leadership, federal procurement officials, and small business advocacy organizations to understand how the Procurement Scorecard affects agency behavior, and what aspects of the scorecard and grading process most affect federal agencies. This evaluation also includes a quantitative analysis of federal agencies' contracting activities with small businesses (e.g. spending on contracts with small businesses, agency engagement with small businesses) before

and after a scorecard methodology change occurred in 2017. Data sources for this analysis include SBA's Small Business Goaling Report, SBA's Summary Subcontracting Report, and the System for Award Management (SAM) and Federal Procurement Data System-Next Generation databases.

In FY 2022, the SBA will complete an evaluation of its annual surveillance reviews for small business contracting. The SBA works annually with federal agencies to determine their share of contracts for small businesses to meet the 23% Federal Government set-aside goal. To support **Small Business Procurement Set-Aside**, the SBA conducts annual surveillance reviews to determine if agencies have been providing maximum practicable opportunity for small business participation. The SBA would like to understand the effectiveness of these reviews and the extent which they help agencies achieve their small business contracting goals.

This evaluation builds evidence on the following ELA question:

- What factors most influence the Federal Government's ability to reach its small business contracting goals?

The primary questions of this evaluation will be:

- How does the government contracting surveillance review process serve as a tool to help agencies meet their small business contracting goals (including socio-economic subgoals)?
- Do SBA surveillance reviews influence federal agency buying activity use of small business programs?

This mixed-methods evaluation will include a quantitative analysis of outcomes for contracting activities that have undergone surveillance reviews, and a qualitative analysis of potential programmatic improvements. The quantitative outcomes analysis will utilize administrative data including surveillance review records and federal contracting data from SAM and Federal Procurement Data System-Next Generation databases. For the qualitative analysis, the SBA will collect primary data through interviews or surveys of SBA Procurement Center Representatives and procurement officials at other federal agencies.

## Strategic Goal 2: Build healthy entrepreneurial ecosystems and create business friendly environments

Businesses thrive in healthy environments where there is proximity to other businesses and support for growth. Entrepreneurs often need advice and technical assistance to get their businesses started, and minority, veteran, and women entrepreneurs often face greater hurdles as they may not have access to services that are available in the private sector. Strategic goal 2 focuses on the SBA's efforts to build a healthy entrepreneurial ecosystem and create business-friendly environments. SBA programs that support this strategic goal include small business training, counseling, and technical assistance and regulatory fairness, advocacy, and research. It includes the following three strategic objectives:

1. Develop small businesses through technical assistance;
2. Build healthy entrepreneurial ecosystems; and
3. Create a small business friendly environment.

### Prior Research

The SBA and other organizations have conducted evaluations on some Agency programs for this strategic goal. Evaluations have provided evidence that business technical assistance, counseling, and training contribute to better outcomes for small businesses. The identified studies provide a mix of program evaluations and performance reviews that use a variety of research methods to build evidence. The studies are not intended to be a comprehensive review of all relevant, available evidence but rather a snapshot of some of the evidence directly related to SBA programs. Additional research is identified in the appendix.

Boots to Business: An Early View of an SBA Entrepreneurship Outreach Program (2017).<sup>19</sup> Boots to Business is an entrepreneurship program tailored to military service members and their families. In addition to providing a descriptive overview of the program, it was compared to and contrasted with other counseling and training programs, revealing the education versus counseling focus.

Formative Evaluation of the Boots to Business Program (2018). This evaluation consisted of interviews with key stakeholders, a rating of current course quality assessment surveys, a guided discussion, and an environmental scan to complete the analysis. Among the findings,

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<sup>19</sup> [www.sbij.org/index.php/SBIJ/article/view/273](http://www.sbij.org/index.php/SBIJ/article/view/273)



stakeholder engagement, outreach, and social support networks influenced program recruitment, retention, and satisfaction.<sup>20</sup>

HUBZone Program Evaluation (2018).<sup>21</sup> The research examined factors related to the Federal Government’s goal of obligating 3 percent of eligible prime contracts to Historically Underutilized Business Zone (HUBZone) small business. Among the findings, the results indicated that targeted marketing and outreach, matchmaking between prime and subcontractors, and small businesses with multiple socioeconomic designations contributed to federal agencies achieving the 3-percent goal. In contrast, the ability for businesses to maintain the 35-percent employee residence requirement for HUBZone certification posed a barrier to the goal.

Income and Net Worth of Veteran Business Owners over the Business Cycle, 2007–2013 (2015).<sup>22</sup> This evaluation found that even though the recovery from the Great Recession has been slow for veteran households with small businesses, these households have fared somewhat better than veteran households without small businesses. Of note, the analysis found veteran small business households’ net worth was higher than other veteran households but similar to non-veteran small business households from 2007 to 2013.

Statistics on the Small Business Administration’s Scale-Up America Program (2019).<sup>23</sup> This study sought to quantify the difference in performance of “treated” (program participant) and “non-treated” (non-participant) firms in the SBA’s Scale-Up initiative, which took place in 2015 and 2016, using data from the SBA combined with administrative data housed at the Census Bureau. The results showed that after controlling for available observable characteristics, a positive correlation existed between participation in the Scale-Up initiative and firm growth. However, the study did not find a statistically significant relationship between participation in Scale-Up and firm survival once other business characteristics were controlled.

## What We Learned in FY 2020

SBA’s customer-facing arm, the **Office of Field Operations** (OFO) oversees the Agency’s customer experience improvement efforts. In May 2019, the OFO launched the Customer

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<sup>20</sup>[https://www.sba.gov/sites/default/files/2020-11/B2B%20FINAL%20REPORT Fully%20Edited%20SBA%20November%20%2002%2012%202019%20508%20%20final.pdf](https://www.sba.gov/sites/default/files/2020-11/B2B%20FINAL%20REPORT%20Fully%20Edited%20SBA%20November%20%2002%2012%202019%20508%20%20final.pdf)

<sup>21</sup> <https://www.sba.gov/sites/default/files/2020-11/HUBZone%20Program%20Evaluation%20Final%20Repor.pdf>

<sup>22</sup> [www.sba.gov/sites/default/files/rs430tot-Income-and-net-worth-of-veteran-business-owners-2007-2013\\_0.pdf](http://www.sba.gov/sites/default/files/rs430tot-Income-and-net-worth-of-veteran-business-owners-2007-2013_0.pdf)

<sup>23</sup> [www2.census.gov/ces/wp/2019/CES-WP-19-11.pdf](http://www2.census.gov/ces/wp/2019/CES-WP-19-11.pdf)

Experience (CX) survey to measure CX in SBA's 68 district offices. The survey measures CX across seven domains: satisfaction, confidence/trust, effectiveness/quality, ease/simplicity, efficiency/speed, equity/transparency, and employee helpfulness. The OFO CX Data Evaluation was initiated to provide SBA with insights into its existing CX survey results, determine if CX results can be better understood through other SBA data sources, and identify opportunities for improvement.

The formative evaluation used a mixed-method design, analyzing CX survey data and interviewing district leaders, select SBA employees, and customers interacting with SBA district offices for funding and 8(a) assistance. The evaluation identified several barriers and challenges that prevent optimal customer experiences including cumbersome processes, gaps in communication, and the need to grow institutional knowledge while building knowledge consistency. Opportunities to enhance CX include streamlining access to information; improving communication between headquarters and field offices; improving communication between program staff, field office staff, and customers; developing a method for tracking customer across SBA interactions; and continuously sharing CX data with district leaders.

SBA's **Mentor-Protégé Program** is designed to help small businesses (protégés) learn from experienced government contractors (mentors). The purpose of this evaluation was to assess why firms decided to withdraw their applications or voluntarily terminate their participation in the program. This evaluation investigated the factors that impacted the firms' decision to discontinue its involvement with the program and collected information on the types of improvements the SBA might consider in order to enhance the experience of program participants. Among the findings, the results indicated that the main drivers for withdrawal or voluntary program terminations centered on the benefits each party expected to gain from the partnership and the quality of the mentor-protégé relationship.<sup>24</sup>

## Key Research and Evaluation Questions

Long-term questions:

1. What are the small business outcomes and impacts of receiving training, counseling, and technical assistance, and how do they vary by market segment?\*
2. How does technical assistance impact small business federal contracting outcomes?
3. How can the SBA best prepare small businesses to compete in developed markets?\*
4. How do small businesses leverage multiple SBA services?

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<sup>24</sup> <https://www.sba.gov/sites/default/files/2020-11/ASMPP%20Final%20Report%20-%209.24.20%20Updated%2010.26.20.pdf>

5. How does the SBA impact regulatory enforcement actions taken against small businesses by federal regulators, and how does intervention by the SBA affect small business outcomes?\*

Short-term questions:

1. What are the best ways to reduce fraud and abuse of small business certification programs?
2. How satisfied are entrepreneurs with the SBA's entrepreneurial and business development services?

## FY 2021 and FY 2022 Planned Evidence Building Activities

The **HUBZone** program fuels the growth of small businesses in historically underutilized business zones by providing certification for preferential access to federal contracts. The Federal Government has a goal to award at least three percent of all federal contracting dollars to HUBZone-certified small businesses each year. In 2017, the HUBZone program launched an early engagement initiative to further its efforts to help small businesses gain preferential access to federal procurement opportunities. In FY 2022, the SBA will conduct an evaluation to assess the outcomes of businesses referred through the early engagement initiative and identify the procurement readiness selection criteria that predict contract awards.

This evaluation builds evidence on the following ELA question:

- What are the small business outcomes and impacts of receiving training, counseling, and technical assistance, and how do they vary by market segment?
- How does technical assistance impact small business federal contracting outcomes?

The primary questions of this evaluation will be:

- Do firms that receive HUBZone certification through the early engagement initiative have better outcomes (e.g., quicker application processing, reduced rates of application declines, greater procurement readiness and potential for more federal awards, greater long-term program compliance and continued HUBZone certification) than those firms certified through the standard process?
- What procurement readiness selection criteria predict contract award?

This impact and formative evaluation will be a retrospective quasi-experimental study. It will consist of a quantitative analysis using administrative outcomes data, and a qualitative component to understand readiness criteria selection. The SBA will use administrative records for firms referred through the early engagement initiative. Contract award data will be gathered through SAM and Federal Procurement Data System-Next Generation databases. The SBA will collect qualitative data from SBA program managers and other HUBZone early engagement partners.

The SBA provides **Boots to Business** (B2B) as an entrepreneurship education and training program tailored to military service members and military families transitioning from the U.S. military. B2B is delivered in partnership with SBA resource partners and provides an overview of business ownership by introducing participants to the skills, knowledge, and resources they need to launch a business. The Agency transitioned the in-person Introduction to Entrepreneurship course to an online platform during the COVID-19 pandemic. In FY 2022, the SBA will evaluate how the B2B Introduction to Entrepreneurship course can be most effectively implemented in a virtual environment.

This evaluation builds evidence on the following ELA question:

- What are the small business outcomes and impacts of receiving training, counseling, and technical assistance, and how do they vary by market segment?
- How satisfied are entrepreneurs with the SBA's entrepreneurial and business development services?

The primary questions of this evaluation will be:

- How can the Boots to Business Introduction to Entrepreneurship course be most effectively implemented in a virtual environment?
- Which best practices can the SBA incorporate into the creation and delivery of this online training?

This formative evaluation will use a mixed method approach to examine implementation and short-term outcomes of the virtual delivery. The evaluation will use course attendance and course quality survey data monitored by the SBA. The SBA may collect primary data from participants and stakeholders such as veterans, trainers, SBA field staff, and resource partners.

## Strategic Goal 3: Restore small businesses and communities after disasters

Disaster can strike at any time, and even the most prepared businesses and business owners can be adversely impacted. While many businesses have private insurance, not all small businesses have the same access or the necessary coverage. Strategic goal 3 focuses on the SBA's disaster assistance programs, including loan programs geared toward recovery from a disaster or economic hardship and the business technical assistance deployed to guide small businesses post disaster. It includes the following strategic objective: deploy disaster assistance effectively and efficiently.

### Prior Research

The SBA has focused its prior research on customer satisfaction with the disaster loan program using the American Customer Satisfaction Index (ACSI) and operational efficiencies. This research has helped identify areas for improvement in customer interaction and processes. The identified studies are not intended to be a comprehensive review of all relevant, available evidence but rather a snapshot of some of the evidence directly related to SBA programs. Additional research is identified in the appendix.

American Customer Satisfaction Index (ACSI) SBA Disaster Assistance Program 2014 Customer Satisfaction Survey (2016).<sup>25</sup> This survey used the ACSI methodology to measure customer satisfaction. The SBA used the survey data to identify and target areas for improvement with the greatest impact on customer satisfaction scores.

Inspection of SBA's Initial Disaster Assistance Response to Hurricane Florence (2019).<sup>26</sup> The report examined the SBA's initial staffing, loan application volume, and timeliness of disaster loan approvals in response to Hurricane Florence. Of the processed loans, approximately 52 percent totaling \$368 million were approved with approximately \$93.8 million deployed. Loan processing time averaged 5 days.

Inspection of SBA's Initial Disaster Assistance Response to Hurricane Irma (2018).<sup>27</sup> The report examined the SBA's initial staffing, loan application volume, and timeliness of disaster loan approvals in response to Hurricane Irma. The SBA increased staffing levels but noted that the Schedule-A hiring process was a barrier to rapid hiring. Loan processing time averaged 15 days.

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<sup>25</sup> [www.theacsi.org/14-acsi-results](http://www.theacsi.org/14-acsi-results)

<sup>26</sup> [www.sba.gov/sites/default/files/oig/SBA-OIG-Report-19-11.pdf](http://www.sba.gov/sites/default/files/oig/SBA-OIG-Report-19-11.pdf)

<sup>27</sup> [www.sba.gov/sites/default/files/oig/SBA-OIG-Report-18-16.pdf](http://www.sba.gov/sites/default/files/oig/SBA-OIG-Report-18-16.pdf)

Inspection of SBA's Initial Disaster Assistance Response to Hurricane Maria (2018).<sup>28</sup> The report examined the SBA's initial staffing, loan application volume, and timeliness of disaster loan approvals in response to Hurricane Maria. Of the processed loans, approximately 46 percent totaling \$1.5 billion were approved with over \$338.5 million deployed. Loan processing time averaged 27 days.

Survival and Success of Family-Owned Small Businesses after Hurricane Katrina: Impact of Disaster Assistance and Adaptive Capacity (2019).<sup>29</sup> The study examined the role of direct disaster assistance on the survival and success of family-owned small businesses following Hurricane Katrina. Data from the 2013 and 2015 Small Business Survival and Demise After a Natural Disaster Project were used in the analysis. The analysis demonstrated that family-owned firms receiving SBA loans or SBA guaranteed loans had an increased likelihood of survival.

The Demand for Post-Katrina Disaster Aid: SBA Disaster Loans and Small Businesses in Mississippi (2016).<sup>30</sup> The study examined the demand for post-disaster small business loans and the factors that contributed toward successfully obtaining disaster loan funds for 10 counties in southeastern Mississippi. Data from the 2013 Small Business Survival and Demise After a Natural Disaster Project were used. The finding indicated that the applicant's business income, insurance status, and owner gender influenced loan application, loan disposition, and loan amount. However, the characteristics that encouraged loan application differed from characteristics associated with receiving the loan. In contrast to prior research, the results from this study revealed that women were more likely to apply for and receive an SBA loan than their male counterparts, but the loan amount was smaller.

The Effect of Small Business Administration Disaster Loans on Revenues of Small Businesses in Mississippi After Hurricane Katrina (2017).<sup>31</sup> The study examined the SBA's role in small business performance following Hurricane Katrina. The 2013 small business recovery survey dataset was used for the analysis. The sample consisted of 373 businesses located in 10 southeastern Mississippi counties that were operating before the hurricane and remained in existence in 2013. The findings indicated that the revenue change for businesses receiving a disaster loan was not significant.

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<sup>28</sup> [www.sba.gov/sites/default/files/oig/SBA-OIG-Report-18-19.pdf](http://www.sba.gov/sites/default/files/oig/SBA-OIG-Report-18-19.pdf)

<sup>29</sup> [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3385019](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=3385019)

<sup>30</sup> [ag.purdue.edu/agecon/Documents/Anna\\_Josephson\\_Published\\_Paper-The\\_Demand\\_for\\_Post-Katrina\\_Disaster\\_Aid.pdf](http://ag.purdue.edu/agecon/Documents/Anna_Josephson_Published_Paper-The_Demand_for_Post-Katrina_Disaster_Aid.pdf)

<sup>31</sup> [ageconsearch.umn.edu/record/252713/files/SBApaper\\_Final.pdf](http://ageconsearch.umn.edu/record/252713/files/SBApaper_Final.pdf)

## Key Research and Evaluation Questions

Long-term questions:

1. How does the SBA's disaster assistance infrastructure contribute to post-disaster individual, business, and community rebuilding?\*
2. How do SBA disaster loans impact individuals and businesses recovering from a disaster?\*
3. To what extent have recent changes, innovations, and process improvements helped to prepare the SBA disaster loan program for future large-scale disasters?
4. How has the SBA's infrastructure helped prepare small businesses before a disaster occurs?\*

Short-term questions:

1. How satisfied are borrowers with the SBA's disaster assistance services?
2. How has the modernized information technology system in the SBA disaster loan program influenced internal processes and overall program effectiveness and efficiency?

## FY 2021 and FY 2022 Planned Evidence Building Activities

The SBA's **Disaster Assistance Loan** program provides direct loans to businesses of all sizes, private non-profit organizations, homeowners, and renters who are survivors of disaster. Loans may be used to replace or repair real estate, personal property, machinery and equipment, inventory, and other business assets that have been damaged or destroyed in a disaster and to help small businesses recover from economic injury caused by a disaster. The SBA has an ongoing partnership with the Risk Management and Decision Processes Center at the Wharton School of the University of Pennsylvania to conduct a series of analyses on the Disaster Loan program. These analyses will focus on the following areas:

- Creating a profile of how the program is used by households and firms;
- Evaluating the program with respect to reducing credit market disruptions that increase the cost of disasters for households and firms; and
- Understanding the role of the program in the broader context of public and private disaster management mechanisms.

While several projects will stem from this partnership, three underway are:

- Examining household credit demand. This project examines the effects of the program's offered interest rates on disaster loan take-up among approved household applicants.
- Examining private credit outcomes of household disaster loan recipients. This project examines how receipt of a disaster loan affects consumer credit outcomes such as private loan balances and credit delinquencies.

- Examining private credit outcomes of businesses disaster loan recipients. This project examines how receipt of a disaster loan affects business credit outcomes such as private loan balances and credit delinquencies.

These quantitative analyses use SBA’s administrative Disaster Assistance Loan Data and Experian credit reports.

In FY 2021, the SBA will conduct an evaluation of SBA physical disaster loans for mitigation purposes to better understand their use and characteristics, and in FY 2022, the SBA will use these findings to test various communication strategies for effectiveness. The importance of mitigation on reducing the financial impact and preventing property loss of natural disasters is well-documented. Mitigation can reduce financial impact and prevent property loss of natural disasters. The National Institute of Building Sciences found that for every \$1 spent on mitigation efforts, such as adopting higher building code standards, a disaster survivor saves \$4 in future reconstruction costs.<sup>32</sup> The SBA is authorized to increase physical disaster loan amounts in order to fund mitigating measures if it determines such an increase to be necessary or appropriate in order to protect the damaged or destroyed property from possible future disasters. However, disaster survivors rarely use mitigation loans.

Both evaluations build evidence on the following ELA questions:

- How does the SBA’s disaster assistance infrastructure contribute to post-disaster individual, business, and community rebuilding?
- How has the SBA’s infrastructure helped prepare small businesses before a disaster occurs?

The primary evaluation questions for both evaluations include:

- What are the characteristics of disaster survivors who have chosen to increase the amount of their SBA physical disaster loan for mitigation? Who has chosen to relocate to a Non-Special Flood Hazard Area from a Flood Hazard Area?
- How have the SBA physical disaster loans for mitigation been used by disaster survivors (i.e., types of mitigation by disaster characteristics – flood, wind, fire, earthquakes – and timing when the mitigation loan was requested)?
- Why have disaster survivors chosen to increase the amount of their SBA loan to fund mitigation?
- Why have some disaster survivors not chosen to increase the amount of their SBA loan to fund mitigation?
- Which communication strategies are most effective in encouraging disaster survivors to request an increase on their physical disaster loans to fund mitigation measures?

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<sup>32</sup> [https://iccsafe.org/wp-content/uploads/NIBS\\_MSv2-2018\\_Interim-Report-summary.pdf](https://iccsafe.org/wp-content/uploads/NIBS_MSv2-2018_Interim-Report-summary.pdf)



- Did communication strategy outcomes differ based on disaster survivor characteristics or type of disaster?

The SBA will use Disaster Assistance Loan program administrative data to complete both quantitative analyses (descriptive statistics, regression analysis) and qualitative analysis on mitigation loan use and disaster survivor characteristics. The SBA will also conduct interviews and focus groups with homeowners and business owners. The SBA will use a quasi-experimental design to study communication methods, piloting different communication materials to determine comparative effectiveness.

Additionally, the SBA has entered a Joint Statistical Project with the U.S. Census Bureau to study the effects of SBA Disaster Assistance Loans on small business outcomes by linking SBA program data to data available at the Census Bureau. This evaluation will determine the impacts of these loans on small business outcomes and recovery.

This evaluation builds evidence on the following ELA question:

- How do SBA Disaster Assistance Loans impact individuals and businesses recovering from a disaster?

The primary evaluation questions for this evaluation include:

- How do SBA physical Disaster Assistance Loans impact small business outcomes such as revenue, employment, and survival?
- How do SBA physical Disaster Assistance Loans impact the timing of small business recovery as measured by revenue and employment?
- Do these impacts vary based on business characteristic (e.g., size, industry)?
- Do these impacts vary based on characteristics of the disaster (e.g., hurricane, tornado)?

This project will employ quasi-experimental methods. Comparison groups with similar program participants who did not receive an SBA Disaster Assistance Loan will be compared to recipients of SBA Disaster Assistance Loans using Census Bureau data. The SBA will use administrative data from the SBA Disaster Assistance Loan program, which will be matched with data at the Census Bureau

## Strategic Goal 4: Strengthen the SBA's ability to serve small businesses

The SBA's ability to respond efficiently and effectively demands cross-office coordination to problem-solving that employs new tools and technologies. An organization that is high performing is characterized by business practices that effectively incorporate innovation and a work environment that supports staff growth and development, collaboration, and a focus on results. Strategic goal 4 includes the SBA's management functions: administrative services, human capital management, information technology, performance management, acquisition management, grants management, and financial management. It includes the following three strategic objectives:

1. Ensure effective and efficient management of Agency resources;
2. Build a high performing workforce; and
3. Enable secure enterprise-wide information technology to achieve interoperability and information sharing.

### Prior Research

The U.S. Government Accountability Office (GAO) and the SBA's Office of Inspector General (OIG) have completed several audits of the SBA's management functions. Additional research is identified in the bibliography.

Cornerstone Assessment for SBA Acquisition Division (2018). The study, based on the OMB A-123 Circular, examined four major cornerstones of federal acquisition management. Surveys and interviews of SBA acquisition staff and acquisition customers revealed several areas for improvement and areas of strength.

SBA's District Offices' Customer Service (2018).<sup>33</sup> This OIG audit examined the customer service assessment process at SBA district offices. The audit revealed that a systematic customer feedback process was not in place and recommended the development and implementation of a customer service feedback loop that would allow for an assessment of the quality of customer service. The SBA has initiated an evaluation to establish effective means to capture customer service feedback.

SBA's FY 2018 Compliance with the Improper Payments Elimination and Recovery Act (2019).<sup>34</sup> This OIG audit assessed the SBA's compliance with Improper Payments Elimination and Recovery Act (IPERA 2010). The report made recommendations pertaining to the SBA's

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<sup>33</sup> [www.sba.gov/sites/default/files/oig/SBA-OIG-Report-19-06.pdf](http://www.sba.gov/sites/default/files/oig/SBA-OIG-Report-19-06.pdf)

<sup>34</sup> [www.sba.gov/sites/default/files/oig/SBA-OIG-Report-19-13.pdf](http://www.sba.gov/sites/default/files/oig/SBA-OIG-Report-19-13.pdf)

disbursements for goods and services and its 7(a) Loan, 504 Loan, and Disaster Assistance Loan Programs.

## What We Learned in FY 2020

The SBA awards contracts to support its operations and accomplish its mission through SBA's Acquisition Division. The SBA's **Advanced Acquisition Strategy** (AAS) helps the Agency appropriately plan for future acquisition activity and contributes to accurate forecasts resulting in a more qualified pool of bidding contractors. In FY 2020, the SBA evaluated its AAS process to measure internal customer satisfaction, assess root causes of advanced acquisition challenges, and identify opportunities to streamline and improve the acquisition planning process.

The process evaluation included a literature review, program documentation and administrative data analysis, a customer satisfaction survey, and interviews and focus groups with Agency and Acquisition Division leadership and federal agencies. The evaluation identified opportunities to streamline and improve the AAS process including improving communication and proactive engagement from both the acquisition and program offices and developing Integrated Procurement Teams for highly complex acquisitions. Barriers that impede the AAS process streamlining and improvement included budget uncertainties, lack of communication, and unclear expectations about roles and processes among those involved in the acquisition planning process. Finally, program managers rated their satisfaction with the Acquisition Division favorably, recognizing that acquisition contacts understood their needs, looked out for their best interests, were knowledgeable about the acquisition process, and communicated information clearly.<sup>35</sup>

## Key Research and Evaluation Questions

Long-term questions:

1. How could the SBA modify its support functions to better serve SBA employees helping small businesses?
2. How could the SBA assess its efforts to build an environment of continuous learning?
3. How can the SBA reduce costs to manage its physical footprint while providing quality services to small businesses and other SBA stakeholders?
4. How could the SBA ensure it attracts, hires, and retains an inclusive, high-performing workforce with the skills necessary to complete its mission?

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<sup>35</sup> <https://www.sba.gov/sites/default/files/2020-11/Final%20Report%20Acquisitions%20Evaluation%20508%20Version%209.29.2020-508.pdf>

Short-term questions:

1. What areas of fraud (internal and external) pose the greatest risk to the Agency, and how can the SBA respond to these risks?
2. How could the SBA improve its cyber security posture?
3. What influences program manager behavior and encourages compliance with internal controls?
4. What process improvements are necessary to improve the SBA's acquisition function?
5. How could the SBA improve its customer experience delivered by SBA employees to both internal and external stakeholders?

## FY 2021 and FY 2022 Planned Evidence Building Activities

The SBA leadership cohort comprises 16.4% of the workforce, making effective **leadership succession planning** critical to maintaining the SBA's ability to deliver its mission. However, nearly one-third of the SBA's workforce is retirement eligible, with retirement eligibility projected to grow to 42 percent by 2022<sup>36</sup>. In FY 2021, the SBA will complete an evaluation on leadership succession planning. The evaluation will examine two of the primary talent development strategies for preparing staff for potential leadership advancement and develop a better understanding of the perceived gaps in staff ability to assume more advanced duties.

This evaluation builds evidence on the following ELA question:

- How could the SBA ensure it attracts, hires, and retains an inclusive, high-performing workforce with the skills necessary to complete its mission?

The primary evaluation questions are:

- How does leadership succession happen at the SBA?
- How do the Excellence in Government Fellows and President's Management Council Interagency Rotation program contribute to successful succession planning within the SBA?
- What gaps exist in current staff skills and abilities that may prevent successful succession planning within the SBA?

This evaluation will measure outcomes for SBA's leadership development program participants and will also include an exploratory analysis of successful succession placement and succession barriers. This will include a literature review; an environmental scan of succession planning in other federal agencies; surveys and interviews with Excellence in Government fellows, Presidential Management Council program participants, and SBA leaders; and an administrative data analysis. SBA administrative data include results of a dual-rater skills

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<sup>36</sup> U.S. Small Business Administration, 2018-2020 Talent Development Plan.

assessment, Talent Development Needs Survey, competency models, and personnel data on role occupancy and career-progression.

In FY 2021, the SBA will continue to assess its capacity to build evidence and make evidence-based decisions as required in the Foundations for Evidence-Based Policymaking Act and build on the interim findings presented in the FY 2022 Annual Performance Plan.

## Appendix A: Selected Relevant Literature

*Strategic Goal 1: Support small business revenue and job growth*

1. [A Performance Analysis of SBA's Loan and Investment Programs](#) (The Urban Institute, 2008)
2. [Additional Guidance on Documenting Credit Elsewhere Decisions Could Improve 7\(a\) Program Oversight](#) (GAO, 2009)
3. [An Analysis of the Factors Lenders Use to Ensure Their SBA Borrowers Meet the Credit Elsewhere Requirement](#) (The Urban Institute, 2008)
4. [An Overview of Small Business Contracting](#) (CRS, 2019)
5. [Audit of SBA's Controls over 7\(a\) Loans Sold on The Secondary Market](#) (SBA OIG, 2019)
6. [Audit of SBA's Microloan Program](#) (SBA OIG, 2017)
7. [Audit of SBA's State Trade Expansion Program](#) (SBA OIG, 2018)
8. [CDFIs Stepping into the Breach: An Impact Evaluation—Summary Report](#) (U.S. Department of the Treasury, 2014)
9. [Community Advantage Pilot Program Analysis](#) (SBA, 2018)
10. [Do SBA Loans Create Jobs? Estimates from Universal Panel Data and Longitudinal Matching Methods](#) (U.S. Bureau of the Census, 2012)
11. [Do Small Businesses Still Prefer Community Banks?](#) (Federal Reserve, 2013)
12. [Entrepreneurship in Low-Income Areas](#) (SBA, 2017)
13. [Evaluation of Surety Bond Guarantee Program](#) (SBA, 2020)
14. [Evaluation of the Small Business Procurement Goals](#) (SBA, 2014)
15. [Evaluating the U.S. Small Business Administration's Growth Accelerator Fund Competition Program](#) (Library of Congress, 2018)
16. [Finance and Growth at the Firm Level: Evidence from SBA Loans](#) (Journal of Finance, 2017)
17. [Government Guaranteed Small Business Loans and Regional Growth](#) (Stanford University, 2017)
18. [Measuring the Representation of Women and Minorities in the SBIC Program](#) (Library of Congress, 2016)
19. [Measuring the Role of the SBIC Program in Financing Small Businesses](#) (Library of Congress, 2017)
20. [Measuring the Role of the SBIC Program in Small Business Job Creation](#) (Library of Congress, 2017)
21. [National Economic Impacts from the National Cancer Institute SBIR/STTR Program](#) (National Cancer Institute, 2019)
22. [National Economic Impacts from the Navy SBIR/STTR Program, 2000-2013](#) (TechLink, Montana State University and University of Colorado Boulder, 2014)
23. [SBA Actions Needed to Ensure Planned Improvements Address Key Requirements of the Development Company \(504\) Loan Program](#) (GAO, 2014)
24. [SBA Assistance to Small Business Startups: Client Experiences and Program Impact](#) (CRS, 2018)
25. [SBA Small Business Investment Company Program](#) (CRS, 2019)

26. [SBIC Examinations Evaluation](#) (SBA, 2019)
27. [SBIC Rural Investments Environmental Scan and Evaluability Assessment](#) (SBA, 2020)
28. [Small Business: Access to Capital and Job Creation](#) (CRS, 2019)
29. [Small Business Administration 7\(a\) Loan Guaranty Program](#) (CRS, 2019)
30. [Small Business Administration and Job Creation](#) (CRS, 2019)
31. [Small Business Administration Trade and Export Promotion Programs](#) (CRS, 2016)
32. [Small Business Investment Companies: Characteristics and Investment Performance of Single and Multiple Licensees](#) (GAO, 2016)
33. [Small Business Loans: Additional Actions Needed to Improve Compliance with the Credit Elsewhere Requirement](#) (GAO, 2018)
34. [Small Firm Finance, Credit Rationing, and the Impact of SBA-guaranteed Lending on Local Economic Growth](#) (The University of Alabama, Culverhouse College of Commerce, 2007)
35. [The Air Force Impact to the Economy via SBIR/STTR](#) (Techlink, Montana State University and University of Colorado Boulder, 2014)
36. [The Direct and Indirect Effects of Small Business Administration Lending on Growth: Evidence from U.S. County-Level Data](#) (West Virginia University, 2014)
37. [The Impact of Credit Availability on Small Business Exporters](#) (SBA, 2013)
38. [The Impact of SBA Lending Activity on Micropolitan Statistical Areas in the U.S. Southeast](#) (The International Journal of Business and Finance Research, 2017)
39. [The Economic Impact of the Small Business Administration's Intervention in the Small Firm Credit Market: A Review of the Research Literature](#) (The University of Alabama, 2009)
40. [U.S. Small Business Administration Loans and U.S. State-level Employment](#) (Journal of Economics and Finance, 2019).

*Strategic Goal 2: Build healthy entrepreneurial ecosystems and create business friendly environments*

1. [2008-2013: Entrepreneurial Development Impact Report of SCORE, SBDC, and WBC](#) (SBA, 2010, 2011, 2012, 2013)
2. [7\(j\) Training Program for 8\(a\) Participants Evaluation Report](#) (SBA, 2019)
3. [A Study of Native American Small Business Ownership: Opportunities for Entrepreneurs](#) (Research in Business and Economics Journal, 2014)
4. [Accelerating Growth: Startup Accelerator Programs in the United States](#) (Brookings Institute, 2016)
5. [Agencies Are Overstating Small Disadvantaged Business and HUBZone Goaling Credit by Including Contracts Performed by Ineligible Firms](#) (SBA OIG, 2014)
6. [Boots to Business: An Early View of an SBA Entrepreneurship Outreach Program](#) (Small Business Institute Journal, 2017)
7. [Characteristics of Recent Federal Small Business Contracting](#) (SBA, 2012)
8. [Entrepreneurial Assistance: Opportunities Exist to Improve Programs' Collaboration, Data Tracking, and Performance Management](#) (GAO, 2012)
9. [Evaluation of Withdrawals and Terminations from SBA's All Small Mentor-Protégé Program](#) (SBA, 2020)

10. [Exploring the Policy Relevance of Startup Accelerators](#) (SBA, 2014)
11. [Formative Evaluation of the Boots to Business Program](#) (SBA, 2018)
12. [HUBZone Program Evaluation](#) (SBA, 2018)
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## Appendix B: Acronyms

**504** – 504 Certified Development Company Loan Program

**7(a)** – 7(a) Loan Guaranty Program

**7(j)** – 7(j) Management and Technical Assistance Program

**8(a)** – 8(a) Business Development Program

**ACSI** – American Customer Satisfaction Index

**AAS** – Advanced Acquisition Strategy

**ASMPP** – All Small Mentor-Protégé Program

**B2B** – Boots to Business

**CARES Act** – Coronavirus Aid, Relief, and Economic Security Act

**COVID-19** – Coronavirus Disease 2019

**CRS** – Congressional Research Service

**EIDL** – Economic Injury Disaster Loans

**ELA** – Enterprise Learning Agenda

**Evidence Act** – Foundations for Evidence-Based Policymaking Act of 2018

**FAST** – Federal and State Technology Partnership

**FY** – Fiscal Year

**GAO** – Government Accountability Office

**HUBZone** – Historically Underutilized Business Zones

**OIG** – Office of Inspector General

**IPERA** – Improper Payments Elimination and Recovery Act

**OMB** – Office of Management and Budget

**SAM** – System for Award Management

**SBA** – Small Business Administration

**SBDC** – Small Business Development Center

**SBIC** – Small Business Investment Company

**SBIR** – Small Business Innovation Research

**SBG** – Surety Bond Guarantee Program

**STEP** – State Trade Expansion Program

**STTR** – Small Business Technology Transfer