

## Strategic Objective 1.3: Entrepreneurship

*Strengthen entrepreneurial ecosystems through a variety of strategic partnerships to provide tailored training, mentoring, and advising services that support entrepreneurs during every phase of their business growth*

**Performance Goal:** Reach 1.2 million clients with online and in-person training, mentoring, and advising in FY 2017

**Objective Lead:** Associate Administrator, Office of Entrepreneurial Development

**Programs:** Small Business Development Centers (SBDC), SBDCNet, Women’s Business Centers (WBC), SCORE, SBA Learning Center, Veterans Business Outreach Centers (VBOC), Boots to Business, Regional Innovation Clusters, Entrepreneurship Education

**Strategies:**

1. Harness SBA’s nationwide network of resource partners
2. Improve entrepreneurial ecosystems through cross-agency and public-private partnerships
3. Offer tailored training through structured programs and online access

Entrepreneurs and small business owners who receive training, mentoring, and advising services increase sales, create more jobs, and have greater economic impact on their communities. SBA’s resource partner network — including 63 small business development centers with more than 900 outreach locations, more than 100 women’s business centers, 15 veteran business outreach centers, and more than 11,000 SCORE volunteers in 800 locations – helps foster a robust national entrepreneurial ecosystem. This support, along with SBA’s Learning Center, Regional Innovation Clusters and Entrepreneurship Education initiatives assists more than one million business owners and entrepreneurs each year.

As evidence to support this effort, impact studies show a direct positive correlation between hours of business advising and related assistance a client receives and the improvement in longevity, profitability, and business growth. For this reason, SBA’s entrepreneurial development performance goal focuses on driving participation in the resource partner advising and mentoring programs and training courses.

**Progress Update:** The SBA continued to make progress strengthening entrepreneurial development by providing advising, mentoring, and training services to small businesses. However, the ability to capture data that does not allow unique data on small businesses and account information due to privacy concerns and statutory restrictions poses a challenge to assessing program outcomes. To better assess program progress and enhance the use of evidence, the Agency and OMB requests legislative authority to collect better data from grantees to be used for internal evaluation purposes. The SBA seeks to establish unique identifiers that will protect small businesses to the fullest extent of the law. This authority would give the SBA the ability to collect identifiable information on small businesses receiving assistance. Currently, SBDCs and WBCs record data on each business they serve but may not report certain business information to the SBA except for the limited purposes identified in the Small Business Act. Adding program evaluations and similar program assessments to the list of allowable purposes would help the SBA to better understand program effectiveness to support resource partners. The Agency is also leading an interagency working group that supports the President’s directive (OMB Memorandum M-14-06) for using administrative data for statistical purposes to understand program outcomes and economic impacts.

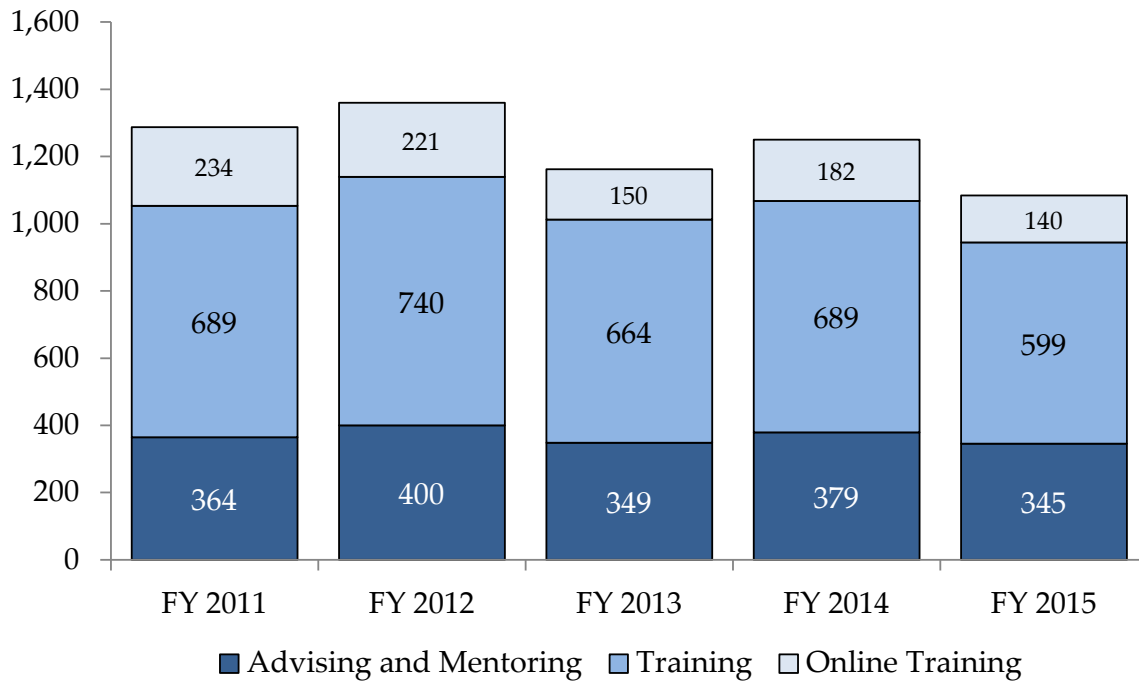
Table 1.3a shows progress toward the performance goals that track the number of clients advised, mentored, and trained by SBA’s resource partners (SBDCs, WBCs, and SCORE).

**Table 1.3a: Entrepreneurial Development Performance Goals**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of SBDC, WBC, and SCORE Clients Trained	Target	N/A	N/A	Baseline	695,000	705,000	701,000	734,000	635,000
	Actual	752,588	689,114	739,616	663,525	688,688	599,990		
	Variance	N/A	N/A	N/A	-5%	-2%	-14%		
<b>Additional Information:</b> In FY 2015, SCORE streamlined its training curriculum condensing multi-sessions into a single session to better serve clients which explains the decrease. SBDC resources shifted to providing more counseling hours per client which resulted in fewer clients trained.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of SBDC, WBC, and SCORE Clients Advised and Mentored	Target	N/A	N/A	N/A	Baseline	373,000	402,000	424,700	368,200
	Actual	404,739	364,344	N/A	348,519	379,210	345,163		
	Variance	N/A	N/A	N/A	N/A	2%	-14%		
<b>Additional Information:</b> In 2015, SCORE clients engaged in repeat consultations as their business needs evolved and personal advisor relationships were cultivated, decreasing the number of total clients. However, the existing client satisfaction and business outcomes increased. SBDC counselors also saw fewer clients, however the average time spent per client increased 2.5%.									

Chart 1.3 shows entrepreneurial development advising, mentoring, and training trends. Online training numbers after FY 2011 reflect more accurate estimates of online users.

**Chart 1.3: Entrepreneurial Development Advising, Mentoring, and Training Trends (Thousands)**



**Strategy 1: Harness SBA's nationwide network of resource partners**

SBA resource partners educate, train, advise, and mentor locally-based and high-growth innovative small businesses with potential to expand. Partners help entrepreneurs turn ideas and concepts into new business ventures. Through its resource partners, the SBA works to develop or expand advising, mentoring, and training programs focused on key areas including underserved markets, procurement, exports, and emerging and expanding technology sectors.

To better inform the resource partners, in FY 2015 the SBA created a new SBA Partner Training Portal (PTP) that provides standardized information and training for business counselors on SBA products and services to help the partners better serve entrepreneurs. In FY 2016, the PTP will expand to include detailed information about disaster assistance and resiliency in a special initiative developed in conjunction with the Office of Disaster Assistance.

The **Small Business Development Center (SBDC)** program provides SBA grants to small business development centers and leverages a unique mix of federal, state, and private sector financial resources. This funding model enables SBDCs across the country to foster the economic growth of small businesses that generates business revenue, creates and retains jobs, and enhances local and regional economies. SBDCs deliver management and technical assistance to small businesses through an extensive business education network comprised of 63 lead centers managing more than 900 outreach locations throughout the country. SBDCs deliver professional business advising and training focused on strategic planning, business development, financial planning, and cash flow management to hundreds of thousands of business clients annually. SBDCs provide assistance that has a positive and lasting impact on aspiring entrepreneurs and small businesses.

Table 1.3b displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts, compensation and benefits, Agency-wide costs such as rent and telecommunications, and indirect costs.

**Table 1.3b: Small Business Development Center (SBDC) Budget – Total Administrative Resources (Thousands)**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
\$ 128,232	\$ 130,323	\$ 126,473	\$ 113,484	\$ 120,507	\$121,627	\$123,627	\$121,627

Table 1.3c provides the targets and results for the SBDC performance indicators.

**Table 1.3c: Small Business Development Center (SBDC) Performance Indicators**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of SBDC Clients Trained	Target	N/A	N/A	Baseline	350,000	350,000	350,000	340,000	270,000
	Actual	379,794	352,290	332,421	330,781	291,366	267,420		
	Variance	N/A	N/A	N/A	-5%	-17%	-24%		
<b>Additional Information:</b> The SBA decreased the target for SBDC clients trained in FY 2016 and FY 2017 to place greater priority in developing its quality of services in terms of hours served and enhanced export training. In FY 2015, resources shifted to providing more counseling hours per client which resulted in fewer clients trained.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of SBDC Clients Advised	Target	N/A	N/A	Baseline	200,000	220,000	220,000	220,000	190,000
	Actual	N/A	205,408	211,091	201,596	194,121	187,478		
	Variance	N/A	N/A	N/A	1%	-12%	-15%		
<b>Additional Information:</b> In FY 2015, SBDC counselors saw fewer clients, however the average time spent per client increased 2.5% and business outcomes have increased per client. The SBA reduced targets in FY 2017 to place greater priority on developing its quality of services in terms of hours served.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of Small Businesses Created by SBDC	Target	7,500	12,500	15,600	12,500	12,500	13,000	13,000	13,000
	Actual	14,065	13,664	14,357	14,201	13,415	13,123		
	Variance	88%	9%	-8%	14%	7%	1%		
<b>Additional Information:</b> SBA's targets for SBDC small businesses created remain static in FY 2016 and FY 2017 as SBA places greater priority in developing its quality of services in terms of hours served and enhanced export training.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Billions of Dollars of Capital Infusion from SBDC	Target	2.5	3.7	3.7	3.4	4.0	4.0	4.0	4.0
	Actual	3.8	3.6	4.0	4.5	4.7	4.7		
	Variance	52%	-3%	8%	32%	18%	18%		
<b>Additional Information:</b> Billions of dollars of capital infusion includes financing provided to small businesses from various sources including the SBA. As the economy improved, robust lending for small businesses helped SBDCs exceed the target.									

FY 2015 Accomplishments and Challenges

In FY 2015, SBDC professional business advisors helped clients start more than 13,000 new businesses; provided training and advising to more than 450,000 entrepreneurs including 61,000 long-term clients; helped clients obtain \$4.7 billion in capital for their businesses; and helped clients secure \$1.1 billion in federal government contracts.

This year, SBDCs across the country increased their focus on programs and services designed to help underserved markets, bringing inclusive entrepreneurship to the forefront of the already vast array of services provided to their local small business markets. This effort led to an increase in advising and training services for these individuals. The SBDCs continue to focus on export assistance given the mandate of the Small Business Jobs Act to maintain a cadre of certified trade specialists.

#### FY 2016 and FY 2017 Planned Performance

For FY 2016, the SBDC program anticipates providing assistance to more than 560,000 entrepreneurs including long-term advising to 55,000 clients, helping more than 13,000 entrepreneurs start new businesses, and assisting clients to obtain \$4 billion in capital for their businesses. For FY 2016, the SBA received \$117 million for SBDCs, which allows them to focus on the proven benefits of long-term advising through intensive entrepreneurial education and international trade in an increasingly global economy. The SBDC program will also deliver more resiliency-focused training and advising.

For FY 2017, the SBA requests \$115 million for SBDCs. The SBDC network will continue to focus on international trade assistance to help expand the small business export market. SBDCs will maintain current export services that are offered, and continue the current level of funding for SBDC international trade centers. The program will support the integrated strategic export promotion effort synchronized under the Administration's Export Promotion Cabinet's Trade Promotion Coordinating Committee. The program will concentrate on providing consistently high quality core services through leveraged partnerships with other resource partners and strong local partnerships with other federal programs such as U.S. Patent and Trademark Resource Centers and the U.S. Department of Commerce's National Institute of Standards and Technology's Manufacturing Extension Partnership program.

To support intensive business research and analysis, the SBA funds **SBDCNet**, a national centralized resource within the small business development center network. It produces a broad range of financial, market, and demographic research reports customized to a client's industry and geographic location for entrepreneurs working with an SBDC business advisor. SBDCNet revolutionizes the gathering and dissemination of information by expanding the ways in which the research is obtained.

#### FY 2015 Accomplishments and Challenges

The University of Texas at San Antonio (UTSA) received SBA support to host and run SBDCNet. UTSA's demonstrated financial and philosophical commitment strengthens SBDCNet's ability to provide high quality, cost effective service to the national SBDC network. SBDCNet responded to thousands of research requests during the year. It is a major resource for SBDC business advisors to obtain small business information on the Internet, boasting a Google page ranking in the top 5 percent of websites. SBDCNet provides the same powerful tools used by big businesses, but at no direct cost to a small businesses working with a local SBDC advisor or counselor.

#### FY 2016 and FY 2017 Planned Performance

SBDCNet will continue to provide valuable research to SBDC business advisors and their clients as well as promote best practices in the SBDC community. The program will save SBDC counselors 30 percent of their time, which will allow them to better serve clients. SBDCNet researchers will continue to establish a new, more extensive web-based research network. Hundreds of online sources, databases, and archived information will be identified to enable even more rapid and efficient searches by advisors and their clients. SBDCNet plans to launch BARNI 2 (Business Advisor Research and Network Information). BARNI 2 will include enhancements to the research order and delivery process used by advisors. The enhancements will provide easier access to advisor accounts and client histories. SBDCNet will also continue to provide industry snapshots which are general summaries of the most requested industry information. This information allows the advisors to review industry-specific information related to a client's new or existing business in a more efficient manner.

The **Women’s Business Center** program provides grants to nearly 100 non-profit organizations that provide quality advising and training services primarily to women entrepreneurs, many of whom are socially and economically disadvantaged. Participating organizations must match the federal funding with one non-federal dollar for every two federal dollars during the first two years and on a one-to-one basis thereafter. Many WBCs provide multilingual services and offer flexible hours, including evenings and weekends, allowing mothers with children to attend training classes. WBCs predominantly use long-term training courses to maximize the delivery of services to primarily nascent entrepreneurs. Many of the training courses focus on business and financial planning that help women entrepreneurs gain financial literacy. WBCs also provide direct advising to clients and help them access loans, federal contracts, and exporting opportunities.

Table 1.3d displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts, compensation and benefits, Agency-wide costs such as rent and telecommunications, and indirect costs.

**Table 1.3d: WBC Budget – Total Administrative Resources (Thousands)**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
\$ 22,373	\$ 19,446	\$ 19,446	\$ 18,350	\$ 25,633	\$23,143	\$25,643	\$25,343

Table 1.3e provides the targets and results for the WBC performance indicators.

**Table 1.3e: Women’s Business Center (WBC) Performance Indicators**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of WBC Clients Trained	Target	N/A	N/A	Baseline	95,000	105,000	111,000	120,000	125,000
	Actual	135,941	115,805	114,931	114,310	119,351	120,341		
	Variance	N/A	N/A	N/A	20%	14%	8%		
<b>Additional Information:</b> The SBA predicts WBC clients trained levels to remain relatively static in FY 2016 and FY 2017 as SBA places greater priority in developing its quality of services in terms of hours served and enhanced export training.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of WBC Clients Advised	Target	N/A	N/A	N/A	Baseline	20,000	22,000	22,200	22,200
	Actual	24,794	23,118	22,020	19,455	20,686	20,375		
	Variance	N/A	N/A	N/A	N/A	3%	-7%		
<b>Additional Information:</b> The SBA predicts WBC clients advised levels to remain relatively static in FY 2016 and FY 2017 as SBA places greater priority in developing its quality of services in terms of hours served and enhanced export training.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of Small Businesses Created by WBC	Target	618	618	590	475	600	650	730	750
	Actual	689	701	694	637	708	766		
	Variance	11%	13%	18%	34%	18%	18%		
<b>Additional Information:</b> The SBA predicts WBC small businesses created levels to remain relatively static in FY 2016 and FY 2017 as SBA places greater priority in developing its quality of services in terms of hours served and enhanced export training.									

FY 2015 Accomplishments and Challenges

The WBC program reached more than 140,000 small business owners and helped more than 760 entrepreneurs start businesses. This year the SBA streamlined its grant process, which helped WBCs spend more time delivering services. This approach should continue to improve program performance in FY 2016 and FY 2017, as WBCs are better able to reach more clients.

The WBC network exceeded its target for small business creation. The increase is attributed to the enhanced program management of the network both on an individual and national basis. The SBA introduced a quarterly performance tracking dashboard that allowed the WBCs to determine how they performed against their counterparts. This transparency of data provided them with a better perspective on their goals and actual performance. The SBA also worked with centers to improve their referral process, moving more clients from training to counseling to achieve better outcomes.

One of the program’s main challenges is the ability to collect consistent outcome data. In FY 2014, the SBA began developing and planning for the first WBC survey, which launched in FY 2015. The survey will collect information on outcomes such as business starts, access to capital or contracts, and job creation for all clients advised and trained.

Also, the WBC program has taken an initiative to broaden outreach to clients whose first language is not English. To meet this demand, approximately 30 percent of the WBC grantees began using the DreamBuilder online curriculum to help deliver more services in Spanish.

#### FY 2016 and FY 2017 Planned Performance

For FY 2016, the SBA received \$17 million for WBCs. In turn, WBCs will advise and train more than 142,000 clients and help 730 of them open new businesses. The SBA will open six new centers in order to cover more areas of the country. The Agency will also conduct a survey of WBC clients that will cover both advising and training to better understand the value and impact of WBC program services. Further, the WBCs will be better equipped to help their clients prepare for and recover after a disaster. The SBA will leverage other public and private partnerships to expand opportunities for women entrepreneurs across the country.

For FY 2017, the SBA requests \$16.7 million for WBCs. In turn, WBCs will advise and train more than 147,000 clients and help 750 of them open new businesses. The SBA will implement new performance metrics based on more robust training data. The Agency will expand programs for women entrepreneurs seeking to grow or expand their businesses and leverage public-private partnerships.

The **SCORE** program is the largest volunteer business mentoring program in the federal government. SCORE has a volunteer cadre of more than 11,000 business professionals who donate more than one million hours a year to America's entrepreneurs through online training and in person at more than 800 locations nationwide. This national network of business volunteers leverages 1.1 million hours of professional service offered online and in-person each year. The grant to SCORE helps fund volunteer recruitment, training and support, equipment and leases, technology, management systems, evaluations, marketing materials, and course development necessary for a successful volunteer provider network. SCORE mentors provide coaching and training expertise free of charge, maintain client confidentiality, and serve entrepreneurs in a wide range of settings. They demonstrate a unique commitment to small businesses and their communities.

Table 1.3f displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts, compensation and benefits, Agency-wide costs such as rent and telecommunications, and indirect costs.

**Table 1.3f: SCORE Budget – Total Administrative Resources (Thousands)**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
\$ 12,205	\$ 12,980	\$ 10,499	\$ 11,546	\$ 12,110	\$ 13,326	\$ 15,826	\$ 15,626

Table 1.3g provides the targets and results for the SCORE performance indicators.



**Table 1.3g: SCORE Performance Indicators**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of SCORE Clients Trained	Target	N/A	N/A	Baseline	250,000	250,000	240,000	274,000	240,000
	Actual	N/A	221,019	292,264	218,434	277,971	212,229		
	Variance	N/A	N/A	N/A	-13%	11%	-12%		
<b>Additional Information:</b> The SBA introduced this metric in FY 2012. In FY 2015, SCORE streamlined its training curriculum, condensing multi-sessions into a single session to better serve clients, which explains the decrease.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of SCORE Clients Mentored	Target	N/A	N/A	N/A	N/A	Baseline	160,000	182,500	156,000
	Actual	170,387	135,818	166,509	127,468	164,403	137,310		
	Variance	N/A	N/A	N/A	N/A	N/A	-14%		
<b>Additional Information:</b> The SBA introduced this metric in FY 2014. SCORE continues to conduct outreach using local community outreach, national partnerships, public-service announcements, and social media channels to increase the number of clients mentored. In FY 2015, SCORE mentoring clients engaged in repeat consultations as their business needs evolved and personal advisor relationships were cultivated, decreasing number of total clients while positively impacting existing client satisfaction and business outcomes.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Number of Small Businesses Created by SCORE	Target	1,082	1,082	1,080	700	700	5,400	5,400	5,400
	Actual	1,077	816	828	628	5,339	Data Lag		
	Variance	0%	-25%	-23%	-10%	663%	N/A		
<b>Additional Information:</b> In FY 2014, SCORE revised its data collection methodology to include survey data directly reported from SCORE clients. FY 2015 data will be available in the summer 2016.									

FY 2015 Accomplishments and Challenges

SCORE mentored and trained nearly 350,000 clients and conducted an outreach campaign to attract additional mentoring clients using local community outreach, national partnerships, public service announcements, and social media channels. SCORE continued its training for veterans and communities impacted by disasters. SCORE continues its commitment to serve America’s entrepreneurs in a client-focused and cost-effective manner. Their digital services will continue to expand with online mentoring, dedicated audience portals, online learning, and business templates.

FY 2016 and FY 2017 Planned Performance

For FY 2016, the SBA received \$10.5 million for SCORE. The investment will allow SCORE to continuously serve a client base of 456,500 clients, including underserved markets. SCORE will continue to recruit business mentors with industry experience, training expertise, and a deep commitment to each client. SCORE will further support these business mentors through its national infrastructure, continued innovation in service delivery, and constant engagement with financial, procurement, and startup communities.

For FY 2017, the SBA requests \$10.3 million for SCORE to mentor and train 396,000 clients, recruit high-quality business mentors, and support their services with robust information management tools and curricula. These mentors work to support on-going client needs and engage new prospects. Individual chapters will deploy workshops based on region-specific and industry trends.

***Strategy 2: Improve entrepreneurial ecosystems through cross-agency and public-private partnerships***

The SBA collaborates with other agencies to proactively build an informed framework and the necessary federal infrastructure to stimulate inter-agency cooperation to improve and create new entrepreneurship initiatives. This approach includes increased information sharing about Agency activities that support or are related to entrepreneurship.

Through public-private partnerships with for-profit companies, academic institutions, and professional associations, the SBA extends entrepreneurship services to a diverse community of small businesses. Partners offer immediate access to small business matters, expert knowledge, and an opportunity to maximize shared resources in the creation of business assistance, services, and training. Co-sponsored and donated resources often drive innovative solutions that keep SBA services relevant to rapid market trends and audience needs.

**Regional Innovation Clusters** connect and enhance innovation assets so that small businesses can effectively leverage them to commercialize new technologies and expand into new markets, thereby positioning themselves and their regional economies for growth. Regional Innovation Clusters are on-the-ground collaborations between business, research, education, financing, and government institutions that work to develop and grow a particular industry or related set of industries in a geographic region. Within a cluster, businesses are better able to commercialize innovative technology and create products and services beyond the resources, capabilities, and capacity of a single small business. Through industry-specific technical assistance, SBA clusters help small business innovators commercialize promising technologies needed by government and industry buyers.

Table 1.3h shows Regional Innovation Cluster performance indicators.

**Table 1.3h: Regional Innovation Cluster (RIC) Performance Indicators**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Percent of RIC Participants Obtaining an Innovation Milestone	Target	N/A	N/A	N/A	N/A	N/A	Baseline	50%	52%
	Actual	N/A	N/A	N/A	N/A	N/A	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric in FY 2016. FY 2015 data will be available in fall 2016.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Percent of RIC Participants Obtaining Revenue Growth	Target	N/A	N/A	N/A	N/A	N/A	Baseline	60%	62%
	Actual	N/A	63%	52%	52%	57%	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric in FY 2016. FY 2015 data will be available in fall 2016.									

FY 2015 Accomplishments and Challenges

The SBA oversaw eleven Regional Innovation Clusters and released a solicitation for three more awards. In alignment with the multi-agency Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) initiative, one new cluster supports communities in Appalachia affected by the coal economy.

The SBA continued to fund an evaluation to examine cluster initiatives, including their various stakeholder participants and the services and activities provided by the clusters, with a focus on small business participants. To investigate the ongoing implementation of the initiative and its impacts, the evaluation examined cluster developments during the fourth year of the initiative. The report demonstrated that cluster-related economic activity has been robust. Measured growth in employment, revenue, and payroll across small business participants has exceeded growth rates in corresponding datasets used to benchmark small business growth. Employment growth clusters also exceeded corresponding benchmark rates in those regions individually. Annualized revenue growth of 18 percent per year between September 2012 and September 2014 across clusters exceeded the 4.6 percent growth rate measured overall in the comparable Dun & Bradstreet sample. Using the same time period, average growth in employment in cluster small businesses grew at an annualized rate of 10.9 percent per year, outpacing the corresponding overall regional benchmark of 2.2 percent.

FY 2016 and FY 2017 Planned Performance

For FY 2017, the SBA requests \$6 million to support Regional Innovation Clusters. Specifically, \$5.5 million will be used to continue SBA cluster efforts, and \$500,000 will be used in partnership with other federal agencies to fund interagency clusters under the POWER initiative. Ongoing evaluation of the initiative will continue. Regional Innovation Clusters will support business development, intellectual property, exports, finance, marketing, commercialization of new technology, and federal and private sector supply chain.

The **Encore Entrepreneurship** initiative, in partnership with AARP, focuses on skills building, management and leadership capabilities, business acumen, and experiential learning. Effective workforce development involves skills training for existing and older workers, ages 50 and older, who are transitioning to new positions or taking on new duties at their current jobs. For many of these mid-

career and late-career members of America’s workforce, entrepreneurship training empowers them to take their skills and become job creators.

FY 2015 Accomplishments and Challenges

The SBA supported multiple activities throughout its training network for Encore Entrepreneurs. The Agency reached more than 170,000 clients during its Encore Entrepreneurship campaign, including the National Summer of Encore Mentoring activities. During this series, SBA district offices hosted more than 100 local session/workshops and ten nationally broadcast webinars that featured subject matter experts, industry professionals, successful entrepreneurs, and business coaches.

FY 2016 and FY 2017 Planned Performance

Through the Encore Entrepreneurship initiative, the SBA plans to continue its partnership with AARP. The partnerships will deliver local workshops, create access to online resources, establish event-based training sessions, and coordinate media campaigns to profile and encourage entrepreneurship education for late-career entrepreneurs.

***Strategy 3: Offer tailored training through structured programs and online access***

The SBA designs and hosts a variety of educational programs and tools to promote active learning for aspiring entrepreneurs and existing small businesses. The Agency uses courses on business topics such as starting your business, financing resources, government procurement opportunities, and marketing strategies. Video tutorials, templates, and interactive assessments inform and equip entrepreneurs with valuable knowledge and tangible tools to assist their business planning. The SBA promotes its field network of professional business mentors to use online learning for additional support.

SBA’s primary online training service, the **SBA Learning Center**, offers free online assessment tools and business courses on business planning, marketing, government contracting, green technology, and social media. Hundreds of thousands of aspiring or current business owners use these free online courses and tools each year.

Table 1.3i provides the targets and results for the online training performance indicator.

**Table 1.3i: Entrepreneurial Development Performance Indicator**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Number of Clients Trained Online</b>	<b>Target</b>	N/A	N/A	N/A	500,000	225,000	250,000	220,000	200,000
	<b>Actual</b>	480,000	234,000	220,596	150,355	182,002	139,719		
	<b>Variance</b>	N/A	N/A	N/A	-70%	-19%	-44%		
<b>Additional Information:</b> The number of clients trained online includes clients trained through the SBA Learning Center. The SBA did not reach its FY 2015 goal due to focusing on training quality over quantity. In addition, after improving its data collection process in FY 2014, the SBA has adjusted its targets going forward to reflect the more realistic assessment of outreach.									

FY 2015 Accomplishments and Challenges

The SBA initiated an intensive review of online learner needs, performance metrics, usability, and digital assets to develop a clear vision to maximize the Agency’s impact. The site registered nearly 140,000 users who accessed nearly 60 free courses. User feedback demonstrated high satisfaction and

interest in new content. Standardization of course deployment helped reduce costs, ensured consistent learner experiences, and supported new content partnerships. Specialized content for audiences continued to support outreach campaigns and rapid learning for new audiences.

FY 2016 and FY 2017 Planned Performance

The SBA Learning Center will continue to produce training content and deploy course-sharing partnerships. Learners will have the opportunity to consume education on multiple platforms, thereby decreasing their time to locate business training. This model will expand SBA training awareness on non-business topics and provide specialized content on dedicated portals. The Agency anticipates reaching at least 220,000 clients through multiple tools offered on the SBA Learning Center through FY 2016. In FY 2017, the learning center will reach 200,000 clients.

The **Entrepreneurship Education** initiative offers high-growth small businesses in underserved communities an opportunity to grow through two unique initiatives, Emerging Leaders and ScaleUp. Emerging Leaders is a seven month executive development initiative that elevates a business’s growth trajectory, creates jobs, and contributes to the economic well-being of communities. Participants of the Emerging Leaders executive series receive more than 100 hours of specialized training, technical support, a professional networking system, and other resources to strengthen their business model and promote economic development. At the conclusion of the training, participants produce a three-year strategic growth action plan. Each year for three years after completing the training curriculum, participants complete an evaluation that collects key outcomes. Additionally, short assessments are conducted at the end of each module throughout the training delivery period to ensure quality and continuous improvement for both the instructors and curriculum.

Further, the longitudinal study of graduates has shown demonstrable economic impact and customer satisfaction. For example, during the past seven years, graduate businesses have created more than 6,800 full-time jobs; secured more than \$1.9 billion in state, local, and tribal contracts; and accessed nearly \$235 million in new financing. Since inception, the SBA has graduated nearly 2,800 students, who report a 95 percent satisfaction rating. These graduates continue to be successful in business and help communities grow economically. For 2017, the SBA requests \$10 million to support Entrepreneurship Education initiatives.

Table 1.3j displays the cost to administer the program. It includes direct costs from the operating budget, including grants and contracts, compensation and benefits, Agency-wide costs such as rent and telecommunications, and indirect costs.

**Table 1.3j: Entrepreneurship Education Budget – Total Administrative Resources (Thousands)**

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
N/A	N/A	N/A	N/A	\$ 9,532	\$12,811	\$15,811	\$15,844

Table 1.3k shows Emerging Leader performance indicators.

**Table 1.3k: Emerging Leaders Performance Indicators**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Percent of Emerging Leaders Creating or Retaining Jobs</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	81%	81%
	<b>Actual</b>	N/A	N/A	73%	69%	81%	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric in FY 2016. Due to the nature of the initiative, SBA surveys participants each year, for three years, following completion of the initiative's curriculum. This performance indicator includes results obtained by the cohort of the indicated year and the previous two years during the indicated calendar year. FY 2015 data will be available in the summer of FY 2016.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Percent of Emerging Leaders Obtaining Revenue Growth</b>	<b>Target</b>	N/A	N/A	N/A	N/A	N/A	Baseline	65%	67%
	<b>Actual</b>	57%	67%	62%	68%	66%	Data Lag		
	<b>Variance</b>	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric in FY 2016. Due to the nature of the initiative, SBA surveys participants each year, for three years, following completion of the initiative's curriculum. This performance indicator includes results obtained by the cohort of the indicated year and the previous two years during the indicated calendar year. FY 2015 data will be available in the summer of FY 2016.									

FY 2015 Accomplishments and Challenges

The SBA delivered the **Emerging Leaders** executive training series last year to 48 communities, more than doubling the number of communities hosting this series. To meet the growing demand for growth-oriented intensive entrepreneurship, the SBA strengthened local partnerships to serve active participants and recent graduates as they executed strategies for business growth. The series is now supported by more than 200 local economic development partnerships spread across the 48 communities, and active participant satisfaction rates have maintained superior scores during this rapid expansion. The FY 2015 cohort outcome indicators will be available in FY 2016 consistent with SBA’s on-going assessment.

FY 2016 and FY 2017 Planned Performance

In FY 2016 and FY 2017, Emerging Leaders aims to serve 48 communities. The SBA will continue to strengthen local partnerships to serve active participants and recent graduates as they execute strategies for business growth. Additionally, the SBA will continue assessing Emerging Leaders performance and publish reports as cohort data are made available.

The **ScaleUp America** initiative supports community efforts to deliver targeted intensive assistance to established high-potential small businesses and entrepreneurs that are primed for growth beyond the startup or early stages. The initiative provides the necessary support to help companies scale up and grow, while strengthening and enhancing local entrepreneurial ecosystems around the specific needs of growth-oriented entrepreneurs and firms, resulting in their ability to produce measurable economic impact and job growth in local communities.

Table 1.3l shows ScaleUp performance indicators.

**Table 1.3I: ScaleUp Performance Indicators**

		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Percent of Scale Up Participants Creating or Retaining Jobs	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	60%
	Actual	N/A	N/A	N/A	N/A	N/A	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric in FY 2016. FY 2015 data will be available in fall 2016.									
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Percent of Scale Up Participants Obtaining Revenue Growth	Target	N/A	N/A	N/A	N/A	N/A	N/A	Baseline	55%
	Actual	N/A	N/A	N/A	N/A	N/A	Data Lag		
	Variance	N/A	N/A	N/A	N/A	N/A	N/A		
<b>Additional Information:</b> The SBA introduced this metric in FY 2016. FY 2015 data will be available in fall 2016.									

FY 2015 Accomplishments and Challenges

The SBA launched the ScaleUp initiative, which included two cohorts. The cohorts enrolled 108 and 116 businesses, respectively, with the first cohort starting in the spring of 2015. The Agency also released a competitive solicitation and awarded ScaleUp initiatives in seven new areas while renewing initiatives in the eight original communities. After extensive outreach to key stakeholders in the field of entrepreneurial development and a competitive solicitation process, the SBA made awards to eight ScaleUp communities across the country.

FY 2016 and FY 2017 Planned Performance

In FY 2016, the SBA will support fifteen ScaleUp communities. The first follow-up survey will be deployed in February 2016 and will measure changes in business outcomes, such as ScaleUp participants creating or retaining jobs and ScaleUp participants increasing revenue. The survey cannot be deployed earlier as businesses typically need at least six months to realize intermediate outcomes (such as changes in revenue) from this type of program. The independent evaluation will continue through FY 2017 and help determine the effectiveness of the initiative and inform a limited expansion and improvement strategy for FY 2017.