



Investigating and Tackling Barriers and Needs for Small Business Success in Honolulu

UHERO Proposal 2024

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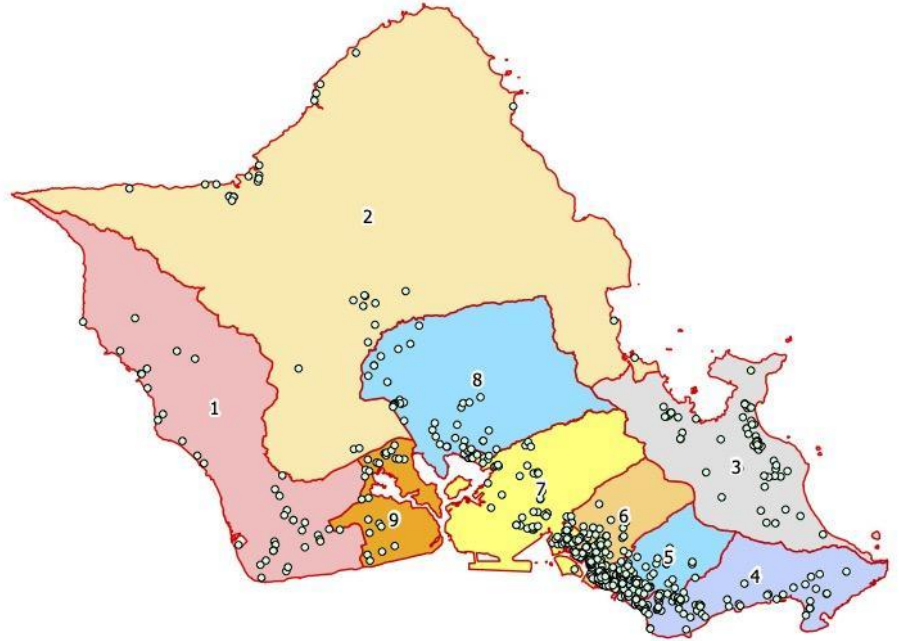
Preliminary results from Fall 2023 survey - Sample



- Over 600 small business owners from across Oahu
- Business characteristics:
 - Most common industries: professional services (11%), retail (11%), and health services (10%)
 - Size: only the owner (27%), 2-5 employees (28%), 6-30 (33%)
 - Years in business: 10+ years (71%), 5-9 years (13%)
- Owner demographics:
 - 50% female, 48% male
 - 76% between age 40-70, 11% 71+
 - Race/ethnicity: White (29%), Japanese (23%), Chinese (9%), Native Hawaiian (7%)
 - 95% U.S. citizens by birth, marriage, or naturalization

Preliminary results from Fall 2023 survey - Districts

District	Frequency	Percent	Population %
1	40	5.95%	11.02%
2	32	4.76%	11.02%
3	56	8.33%	11.28%
4	113	16.82%	11.12%
5	127	18.90%	11.26%
6	156	23.21%	11.14%
7	79	11.76%	11.08%
8	42	6.25%	11.18%
9	24	3.57%	10.91%



Preliminary results from Fall 2023 survey - Needs



- Support service needs, most frequently noted:
 - Marketing and sales (45%)
 - Financial resources and assistance (43%)
 - Human resources, workforce and talent (35%)
- Female owners & younger firms likelier to need business planning support

Preliminary results from Fall 2023 survey - Challenges



- 30% face difficulties securing financing
 - Common barriers: high interest rates (40%), complicated procedures (28%)
 - 1/3 need for additional financing urgent immediately or within 6 months (33%)
- 60% say acquiring new employees is very challenging (37%) or challenging (23%)
 - Common obstacles: lack of qualified candidates (60%), budget constraints (40%)
 - Older and larger firms reported higher difficulty
 - Common obstacles to retention: insufficient benefits (36%), work-life balance issues (27%)

Preliminary results from Fall 2023 survey - Local connections



- 36% of firms report primary material source to be locally owned businesses
 - On average source from: 32% out of state online firms, 28% local non-chains, 23% local chains
 - Higher revenue firms source less from locally owned firms
- 75% say business networking is very important (45%) or important (30%) to their success
 - Non-citizen owners 12% more likely to say very important
 - 57% reach out to other firms for support
 - Common types of support: problem solving (64%), references for professional services (61%)

Limitations from Fall 2023 survey

- Disproportionate amount of older businesses (71% over ten years in business)
- Not targeting minority owned businesses as much as desired
 - Only 9% Native Hawaiian/Pacific Islander, 3% Filipino, 3% Latino
- Very few young business owners (1% below 30)
- Districts 1,2,3,8,9 lower representation than population

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New Project for 2024: Tackling Barriers and Needs for Small Business Success in Honolulu



- Key Areas of Focus:
 - In-depth examination of challenges faced by small businesses
 - Training barriers, financial assistance needs, educational and networking
 - How to better align the city's current programs with the needs identified in the first phase by investigating successful programs in other cities and evaluate their adoption by small businesses in Oahu
- Expected Outcomes:
 - Enhanced understanding of small business needs
 - Recommendations for improving city's support programs
 - Insight into potential industry growth and supply gap solutions

Next steps - Targeted survey

- Broaden reach to overcome some limitations:
 - Focus on businesses with 2-9 employees
 - Focus on those in business <10 years
 - Include those from underrepresented districts in initial survey



Next steps - Comparing to other small cities

- To compare Honolulu city and county to other similar areas:
 - Collect information on 10-15 other small cities
 - Small business support strategies
 - Success or failure of programs
 - Similar or differing needs to Honolulu
 - Determine which are feasible for Honolulu and align with local market



Next steps - Follow up survey & qualitative focus group

- Follow-up Survey
 - Use needs identified in Fall survey and analysis of other cities' strategies
 - Identify specific barriers and how programs can better support small businesses
 - Investigating potential growth in industries that could fill local supply gaps, training barriers, financial assistance needs, and educational and networking support
- Qualitative Focus Group
 - Meet with 15-20 small business owners from initial phase in five focus groups
 - Complement survey with deeper analysis of potential barriers and programs



Results

- A report will be produced that will:
 - Identify potential strategies from other cities determined feasible and useful
 - Investigate patterns, trends, and correlations
 - Analyze social networks to identify the effects of network support
 - Further breakdown will be based on ownership type, minority status, industry, location, and other pertinent variables

