



Entrepreneurship in the
Population: Indiana

Qualitative Research Findings Report

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1. EXECUTIVE SUMMARY

To explore the experiences of entrepreneurs in Indiana and better understand the motivations of Indiana citizens disinclined or uninterested in business ownership or self-employment, the Entrepreneurship in the Population: Indiana (EPOP-IN) conducted a series of focus groups and stakeholder interviews. The EPOP-IN project conducted this qualitative research to augment the quantitative data collected through a survey conducted with Indiana residents in the Fall of 2022. The EPOP-IN Project was funded by the Central Indiana Corporate Partnership (CICP). Findings from this qualitative research are presented here and will inform CICP's ongoing goal of promoting economic prosperity in Indiana.

1.1 EPOP-IN PROJECT CONTRACTOR

NORC is an independent research institution that delivers reliable data and rigorous analysis to guide critical programmatic, business, and policy decisions. NORC conducts objective, non-partisan research to help inform people in government, nonprofits, and businesses making decisions on key issues of the day. NORC's research addresses important issues like employment, education, and health care. Since 1941, NORC has conducted groundbreaking studies, created and applied innovative methods and tools, and advanced principles of scientific integrity and collaboration. Today, government, corporate, and nonprofit clients around the world partner with NORC to transform increasingly complex information into useful knowledge. For more information, visit [NORC.org](https://norc.org) and connect with us at twitter.com/norcnews and facebook.com/NORCatUofC.

1.2 RESEARCH SPONSOR

The Central Indiana Corporate Partnership (CICP) was formed in 1999 to bring together the chief executives of Central Indiana's prominent corporations, foundations and universities in a strategic and collaborative effort dedicated to the region's continued prosperity and growth.

To advance this mission, CICP sponsors five key talent and industry sector initiatives, AgriNovus Indiana, Ascend Indiana, BioCrossroads, Conexus Indiana, and TechPoint, each of which addresses challenges and opportunities unique to its respective area: agbiosciences, talent and workforce development, life sciences, advanced manufacturing and logistics, and technology. For more information, visit the CICP website at <https://www.cicpindiana.com>.

This research was made possible by a grant from Lilly Endowment Inc.

1.3 METHODOLOGY

EPOP-IN conducted nine focus group discussions and four in-depth interviews from October 13, 2022 through March 3, 2023. Focus group participants were recruited from participants to the survey component of EPOP-IN Project. The sessions were grouped by their shared experiences with entrepreneurship as reported in the EPOP-IN Survey. There was one group composed of



current business owners, two of nascent entrepreneurs, two of withdrawn entrepreneurs, one of former business owners, and one of non-entrepreneurs. Additionally, there was one focus group discussion comprised of current business owners and nascent entrepreneurs living in Indianapolis and self-identifying as non-Hispanic Black. In total, 31 Indiana residents participated in the focus group discussion research. After completing the focus groups, NORC conducted 4 in-depth interviews with entrepreneurship experts, to gain the perspective of stakeholders and how their views compare to the focus group participants.

1.4 KEY FINDINGS

1.4.1 Reason for Wanting to Start a Business

- Entrepreneurs pursue business ownership primarily to work for themselves and the benefits that come with self-employment. Reasons cited were being your own boss, setting your schedule, have more flexibility and being able to work in a field you are passionate about.
- Entrepreneurs also perceived business ownership as having higher earning potential than other jobs prior to starting their business.

1.4.2 Sources of Support

- Other entrepreneurs in their field were a primary source of support when participants were starting their businesses. They encouraged participants to pursue entrepreneurship and provided instrumental support in the form of networking and help overcoming bureaucratic hurdles.
- Mentorship was frequently cited as a needed source of support. When describing the perceived benefits of finding a mentor, participants discussed learning how to go through the steps of business ownership, pitching and discussing business ideas, getting advice on technical issues, and being introduced to others in their networks.
- Current entrepreneurs relied on a wide range of private, non-profit, and government organizations for support when starting their business. Withdrawn and former entrepreneurs alternatively reported very low use of these organizations.
- Entrepreneurship classes were considered helpful for understanding the fundamentals for starting a business but did not appear to be a major factor in participants' ability to start their business. Fundamentals classes were the second most frequently cited support needed.
- Participants often reported a lack of support from family members, with current entrepreneurs frequently reporting family as unsupportive. While participants did view lack of support as an issue, they generally did not feel it was a major challenge to entrepreneurship.

1.4.3 Barriers to Entrepreneurship

- Entrepreneurs rely heavily on personal finances to kickstart their business. When this is no longer sustainable, they turn to third party sources, such as grants or loans, but entrepreneurs repeatedly found these sources inaccessible. Entrepreneurs in the early stage



of forming their businesses found that funding is not available to those just starting out, and current entrepreneurs found bank and grant criteria to be overtly specific.

- Entrepreneurs desire a centralized source, preferably hosted by the government, that lists relevant grants and third-party lenders for small businesses. Entrepreneurs from all backgrounds reported feeling unconfident and overwhelmed in their search for third-party funding.
- Participants often reported feeling overwhelmed by the amount of information that they were presented with when trying to find solutions to business startup tasks.
- Legal and accounting fees were a burden to business owners who wanted to have the skills required to complete these tasks on their own.
- All groups cited time as a major barrier to entrepreneurship. The time commitment to start and run a business is a deterrent to entrepreneurship for the general public and was routinely cited by entrepreneurs as an issue when balancing multiple jobs and sustaining personal relationships.
- The need for health insurance was reported unprompted in two focus group discussions as a primary barrier to entrepreneurship. This is inconsistent with the EPOP-IN Survey results which shows that most nascent and withdrawn entrepreneurs do not report the need for health insurance as a main issue.

1.4.4 Reasons for Business Closure for Former Entrepreneurs

- The relationship between time and money was critical for why entrepreneurs step away from their business. Not having enough time to make the money to support themselves, their families, and their business was a consistent problem reported by participants in our sessions.

1.4.5 Experiences of Black Entrepreneurship in Indiana

- Business owners reported that it was difficult to find government or private funding that fit their business and felt most funding sources were not interested in supporting their community.
- Participants were unsure about whether any local, state, or federal benefits existed that were aimed at helping Black business owners.
- Black business owners also stood out from the other focus group discussions in their use and importance placed on support organizations and mentorship.

1.4.6 Non-Entrepreneur Perspectives

- The general public believe entrepreneurship is reserved for individuals with unique ideas that have identified a gap in the market.
- The general public misunderstand how and who can best support small business owners. They perceive it to be family and friends, when entrepreneurs cited peers in their industry as their primary support system.



- The general population misperceive the financial hardships of entrepreneurs. They cited taxes and interest rates as their main barriers, but, in reality, entrepreneurs are unable to access third-party financing because of intricate criteria and lack of application support from lenders.



2. PROJECT BACKGROUNDS AND OBJECTIVES

Understanding how policymakers and entrepreneurial support organizations should best support entrepreneurial growth requires an understanding of not only existing business owners but also of those who formerly owned a business, are considering starting a business, or who have the potential to become self-employed through business formation, freelance activity, or sole proprietorship. Considering the experiences of those with different entrepreneurial experiences is challenging, and prior research often focuses only on current business owners. This lack of data often means that policymakers and researchers are not able to consider all entrepreneurial activities together. As a result, freelancers, those who are self-employed sole proprietors as a primary or secondary job, those closing their businesses, and individuals interested in starting a business are excluded from the analysis and broader conversation. Instead, most research and results are limited to siloed populations where existing business owners and their business formation activities are the prime focus.

To fill this gap in the available data, the Entrepreneurship in the Population: Indiana (EPOP-IN) Project collected both survey data across Indiana residents and qualitative data through focus groups and in-depth interviews. The aim of this project is to explore the experiences of a broader group of individuals engaged in full range of entrepreneurial activity in Indiana and better understand the motivations of Indiana citizens disinclined or uninterested in business ownership or self-employment. This report presents findings from the focus group discussions, which were conducted across a total of 31 Indiana residents.



3. QUALITATIVE METHODOLOGY

This section describes the methodology used to plan the focus groups and stakeholder interviews and produce the qualitative data set and subsequent analysis within this report.

EPOP-IN submitted the study's protocol to NORC's Institutional Review Board (IRB) as part of the larger project package. The IRB issued a Certificate of Exemption for all research activities.

3.1 RECRUITMENT

3.1.1 Focus Groups

Participants were recruited from the EPOP-IN Survey. Respondents were asked to identify whether they would like to be considered for joining a focus group and, if interested, were asked to provide contact information and availability. Respondents were contacted if they indicated that they would like to participate in a focus group, provided a valid email address, and whether they fit criteria for a session.

Participants were recruited by email. Initial invite messages were sent 7 to 10 days before the scheduled focus group.

Each focus group session was scheduled for 90 minutes. The first six sessions were each held on a weekday (Monday-Friday) afternoon between October 13, 2022 and November 4, 2022. The last three sessions were held on weekday evenings between November 9, 2022 and November 17, 2022. The Zoom access link and the project information sheet were sent to each participant the morning of each scheduled focus group. This sheet described what a focus group is, laid out general rules, detailed each individual's rights as a participant, and listed contact information to NORC and IRB management.

For the first six sessions, participants were offered a \$50 Visa gift card as incentive. To increase participation rates, the incentive offer was increased to a \$100 Visa gift card for the last three sessions. Each gift card was electronic and was emailed to each participant after each focus group.

3.1.2 Stakeholder Interviews

Stakeholder interview participants were identified by CICIP and then connected to the research team to schedule their interviews. The individuals were identified as experts or stakeholders in entrepreneurship within Indiana. Participants were recruited by email. Initial invite messages were sent 2 to 3 weeks before the scheduled stakeholder interviews. NORC sent invitees to 6 different participants, and we received a response from 4 individuals, all agreeing to participate in an interview.

Each interview was scheduled for 60 minutes. All 4 interviews were held on a weekday between February 16, 2023 and March 3, 2023. The Zoom access link and the project information sheet were sent to each participant the morning of each scheduled interview. This sheet described what



the stakeholder interview is, laid out general rules, detailed each individual's rights as a participant, and listed contact information to NORC and IRB management.

3.2 PARTICIPANTS

3.2.1 Focus Groups

In total, NORC conducted nine focus groups discussions with a total of 31 participants. Focus group participants were grouped by their shared entrepreneurial experiences as reported on the EPOP-IN Survey to facilitate in-depth discussion of topics. Grouping was broadly determined by their response to the entrepreneurial screener portion of the EPOP-IN Survey. For example, those who reported that they currently own a business were grouped into the current entrepreneurs. Other groups required further criteria. Recruitment for entrepreneurial planners only included those who reported taking at least one step towards opening their business idea. Former business owner eligibility is limited to those who remained in the labor market after closing their business rather than those who closed their business to retire. Additionally, one focus group discussion was comprised of current business owners and nascent entrepreneurs who are based in Indianapolis and self-identified as non-Hispanic Black. The number of focus group discussions and participants per entrepreneurial category is provided in Table 3.1.

Table 3.1 Number of Focus Group Discussions and Participants

Focus Groups	Focus Group Discussions	Participants
Current business owners	1	4
Nascent entrepreneur	2	4
Withdrawn entrepreneur	2	6
Former business owners	1	7
Black entrepreneurs in Indianapolis	1	5
Non-entrepreneurs	2	5
Total	9	31

Table 3.2 shows the demographic characteristics of focus group participants. Roughly two thirds of the participants were women. Racial group, educational attainment and age group distributions of participants shows considerable diversity in participation. Additionally, 77% of respondents resided in the Indianapolis MSA, while 23% were located outside of the MSA.

**Table 3.2** Focus Group Participants Demographic Characteristics

Demographic Characteristics	Percent of Participants
Gender	
Women	67.7
Men/Other	32.2
Racial Group	
White, Non-Hispanic	41.9
Black, Non-Hispanic	41.9
Other*	16.1
Educational Attainment	
High school diploma	16.1
Some college	38.7
Bachelor's degree or higher	45.2
Age Group	
18-29	32.3
30-39	38.7
40-49	9.7
50+	19.4
Region	
Indianapolis MSA	77.4
Balance of State	22.6

*Other racial group category includes those who self-reported as Hispanic, Non-Hispanic Asian, Non-Hispanic multi-racial, Non-Hispanic "Other", and those not reporting race.

3.2.2 Stakeholder Interviews

The EPOP-IN project included four stakeholder interviews. The interview participants came from different backgrounds and had varying experiences with the field of entrepreneurship. Of the four stakeholders, two were high-level entrepreneurs (including an executive of a large tech firm and another of a pharmaceutical company) and two were experts in entrepreneurship support (including a serial entrepreneur and a university professor). Participants perspectives varied, with some focused-on venture capital backed entrepreneurship, and others not. All stakeholder interview participants currently work for or own a business in the state of Indiana. None of the stakeholder interviewees were survey participants so their broader demographic and background information were not captured.

3.3 INTERVIEW GUIDES

3.3.1 Focus Groups

The focus group guides were developed in consultation with CICP. Questions and probes were tailored to address the different entrepreneurial experiences across focus groups. As an example of the questions asked during the discussions, the focus group guide used for withdrawn entrepreneurs is included in Appendix A. Further, “sequential interviewing” was used wherein



preliminary results of qualitative data were used to adjust question wording and probes for subsequent focus groups to focus on the most important emerging themes.

The focus group guide followed an industry standard structure of beginning with participant introductions and then moving to the following topics: introductory questions, transition questions, key questions, and ending questions.¹ Introductory and transition questions varied on the entrepreneurial backgrounds of the groups and were used to introduce participants and their entrepreneurial backgrounds.

Key questions spanned three topics broadly: (1) participants' use of formal and informal supports, (2) planning and the early steps of getting a business up and running, and (3) financial aspects of business ownership. Ending questions included big picture questions to address broad beliefs regarding the greatest challenges that entrepreneurs are facing in Indiana.

3.3.2 Stakeholder Interviews

The stakeholder interview guides were developed in consultation with CICP. Questions and probes were tailored to address the different experiences and concerns discussed during the focus groups. As an example of the questions asked during the interviews, the guide used for the stakeholder interviews is included in Appendix B. Further, "sequential interviewing" was used wherein preliminary results of qualitative data were used to adjust question wording and probes for subsequent interviews to focus on the most important emerging themes.

The stakeholder interview guide followed an industry standard structure of beginning with participant introductions and then moving to the following topics: introductory questions, transition questions, key questions, and ending questions. Transition questions derived from the focus groups session findings and were used to highlight and introduce the key, broader topics.

Key questions spanned three topics broadly: (1) participants' understanding of formal and informal supports, (2) barriers to entrepreneurship, such as finances and health care and (3) the general public's perceptions. The ending questions included an opportunity for the participant to clarify any previous points or to share relevant comments not previously discussed.

3.4 PROTOCOLS

All focus groups and stakeholder interviews were conducted virtually. Participants were informed on the qualitative process in recruitment and provided informed consent prior to the start of data collection. Ground rules were established at the start of each session or interview, and respondents were asked to only use their first names to protect their privacy, particularly during focus groups to hide their identity from other group members. Each session was recorded and transcribed, with each participant consenting to being recorded prior to the focus group or interview. In line with our expectations, most focus group sessions lasted approximately 60 to 90 minutes, and each stakeholder interview lasted approximately 60 minutes.

¹ Krueger, R. A. (2014). *Focus groups: A practical guide for applied research*. Sage publications.



Focus group sessions were analyzed using transcriptions that underwent a redaction process to remove contextual information that could identify participants. Participant information will remain confidential, and all identifying information was anonymized. All focus group and stakeholder interview data and transcripts were securely stored within the project's limited access folders on NORC's secure private network.

3.5 ANALYSIS

3.5.1 Focus Groups

The research team used an inductive, data-driven approach to analyze data from the focus groups. This approach involves first closely reading a sample of transcripts in detail until familiar with the content, then developing a list of emerging categories or themes to be used as codes in the analysis.

From this list of themes, the research team produced a code frame, a document containing brief definitions and rules for when each code should be applied. The code frame contained 24 codes across four main themes. The code frame is included in Appendix B.

The research team deductively coded each focus group transcript according to the code frame. Datapoints from coding, which consisted of paraphrased discussion and direct quotes, were captured in a single Microsoft Excel spreadsheet to compare datapoints across groups. Once datapoints from all 9 focus groups were recorded, the team members then created a summary for each of the 25 codes that summarized the main discussion points of each code, highlighting key quotes and datapoints.

Qualitative data was analyzed within entrepreneurial activity status and then across entrepreneurial activity status to develop a thorough understanding of responses, identify contradictory findings, and highlight common themes and narratives. Similarly, responses from the focus group session with Black entrepreneurs from Indianapolis were compared with all other sessions to identify racial differences in responses.

3.5.2 Stakeholder Interviews

For the stakeholder interviews, a codebook and frame were not developed. The team used a Microsoft Excel spreadsheet to sort transcript data by interview topics and questions. Once datapoints from all four interviews were recorded, the team members then created a summary by comparing datapoints across interviews for each topic and question. Each summary encapsulated the main discussion points, highlighting key quotes and datapoints.

Qualitative data from the stakeholder interviews was first analyzed across each interview to develop a thorough understanding of responses, identify contradictory findings, and highlight common themes and narratives. Stakeholder interview data was then analyzed against the focus groups to compare themes and differences between the groups.



3.6 LIMITATIONS

3.6.1 Stakeholder Interviews

There is a possibility that those who accepted to be interviewed may differ in some important dimensions from those who did not, such as in their attitudes or perceptions, meaning there is a chance of selection bias. Stakeholder interview participants were limited to a pool identified by CICP and the responsiveness of those people. Of the six stakeholders NORC contacted for interviews, five agreed to participate. From the group of five that agreed to participate, four interviews were conducted. One individual agreed but was unable to schedule an interview, and one individual did not respond to NORC's repeated outreach attempts via email. Given that the stakeholder interviews only consisted of four individuals, there are certainly perspectives not included, such as stakeholders in the construction or manufacturing industry that made up over a fourth of entrepreneurs from the survey data but were not represented in these in-depth interviews.



4. ENTREPRENEURSHIP IN THE POPULATION: INDIANA SURVEY

In addition to presenting the findings from the qualitative data, the report also incorporates quantitative findings from the EPOP-IN Survey where appropriate. The EPOP-IN Survey is a cross-sectional survey designed to be representative of the entire non-institutionalized adult population in Indiana and was conducted from August 18, 2022 to November 20, 2022.

The goals for the survey were to measure the prevalence of different entrepreneurial activities, attitudes towards entrepreneurship, and better understand barriers to success faced by business owners in Indiana. Measures of entrepreneurial behavior including current and former business ownership, whether individuals are currently taking or have in the past taken steps towards starting a business, the extent to which individuals engage in freelance work, and engagement with the “gig economy.” In addition to capturing the characteristic profile of the individuals involved in these various entrepreneurial activities in Indiana, the survey collects information on the behaviors, challenges, and resources available to individuals during the entrepreneurial process.



5. FINDINGS FROM FOCUS GROUPS

The findings from the EPOP-IN focus group research highlight key differences observed based on entrepreneurial activity status (e.g., nascent, withdrawn, current). The findings are presented by the analytic themes that emerged during the transcript review with conclusions presented at the end of each theme.

5.1 REASONS FOR WANTING TO START A BUSINESS

Entrepreneurs from all groups reported their motivation in starting a business was to have the freedom of working for themselves and to make more money. For many current entrepreneurs, the potential to earn more money and control their schedule was especially attractive due to major life events, such as starting a family or addressing personal/family health issues. While some entrepreneurs realized they could monetize their hobbies, leading them to business ownership.

Entrepreneurs value the benefits of working for themselves. From current, to early stage (nascent), and former entrepreneurs, nearly all focus group participants highlighted how working for themselves was a major motivation to starting their business. Focus group members wanted to work a schedule that fit their unique situations, did not want to have a boss to report to, and realized their day-to-day hobbies/activities could be a business. These motivations were seen directly in the survey data as shown in Table 5.1. In the survey, “flexible hours” and “wanted to be your own boss” were cited as “very important” factors in why individuals started their business by 72% and 56% of respondents, respectively, highlighting how entrepreneurship is an attractive path for creatives and individuals who desire a non-traditional work setting and schedule.

Starting your own business is seen as an avenue to higher earnings. The “opportunity for greater income” was reported as a “very important” factor in starting their business by 68% of survey respondents, and our focus groups participants echoed this sentiment. Current, former, nascent, and withdrawn entrepreneurs from our sessions reported the chance to make more money in their business as a major influencing factor to pursuing business ownership. We heard the rationale behind this perspective from one nascent entrepreneur, who said “when you work for someone else you can really only do and make as much [money] as they want you to, but if you work for yourself, then the sky is the limit.” The idea of investing in yourself was also heard in our survey results, where over a third of respondents did not feel like they were paid enough given their skillset, nor did they feel there was adequate career advancement opportunities prior to pursuing entrepreneurship; see Table 5.1.

**Table 5.1** Survey Results, Reasons for Pursuing Entrepreneurship

Reason	Percent Reporting “Very Important”
Flexible hours	71.6
Balance work and family	70.0
Opportunity for greater income	67.6
Wanted to be my own boss	56.2
Ability to supplement my income from my job	52.0
Best avenue for my ideas/goods/services	51.2
Always wanted to start my own business	48.7
Did not feel like I was being paid fairly given my skills in the labor market	40.4
Did not feel that there were adequate opportunities to advance in my career	35.4
Working for someone didn’t appeal to me	31.8
Wanted to help and/or become more involved in my community	31.4

Note: Less than 30% reported the following reasons: “Did not feel valued by my place of employment,” “An entrepreneurial friend or family member was a role model,” “Unable to find employment,” and “Wanted to carry on the family business.” This question was asked of Current business owners and freelancers, nascent entrepreneurs, and withdrawn entrepreneurs.

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

5.1.1 Key Section Findings

- Entrepreneurs pursue business ownership primarily to work for themselves and the benefits that come with it. Reasons cited were being your own boss, setting your schedule, having more flexibility and being able to work in a field you are passionate about.
- Entrepreneurs also perceived business ownership as having higher earning potential than other jobs prior to starting their business.

5.2 SOURCES OF SUPPORT

Focus group participants were asked who they went to for advice or support when starting their businesses, their assessment of the support they received, and what additional support they needed. The following sections include their responses grouped by themes.

Entrepreneurs in the same field are the primary source of support when starting a business. Focus group participants reported that other entrepreneurs were a major source of support through (1) encouragement to start a business, (2) networking and contact sharing, and (3) industry-specific knowledge sharing, such as an artist whose art school alumni helped her understand copyright law. One participant who runs a small cargo transportation company describes another cargo transportation owner as enabling her to run her business successfully:

“He actually was, I would say, the factor that helped me be able to go full time on my own, because at that time I only had one contract... He explained to me how you can actually get around the dispatchers and just go right to the brokers, and you don't have to pay a dispatching fee! He gave me some names of some of the brokers that he used. He gave me four names. Out of the four one of them I actually



signed up with, and work with. Still, to this day is one of my best brokers.” (Current Entrepreneur)

When former entrepreneurs were asked “who did you rely on for advice or support,” participants agreed that other entrepreneurs were their primary source of support:

Participant 1: “Other entrepreneurs. Selling and buying antiques, it's just a huge network of people that you can buy merchandise from, and you can move merchandise to.” (Former Entrepreneur)

Participant 2: “It definitely was the same for me. It was other entrepreneurs in the business. And especially with the CBD products, you kind of network and you get to know who sells what and you learn tips and tricks and things like that, and how to get your products into stores and things like that.” (Former Entrepreneur)

Participant 3: “I had other entrepreneurs. Also, we got a lot of advice from other construction people. The superintendents were great at getting us into the companies that they worked for and different things like that.” (Former Entrepreneur)

For entrepreneurs that did not have another business owner in their field to go to for support and industry knowledge, mentorship was regarded as a primary need.

Mentorship was brought up unprompted in three focus group discussions, especially when discussing challenges in obtaining support for entrepreneurship. Several described wanting a formal networking organization to put nascent or new business owners in contact with a mentor. When describing the perceived benefits of finding a mentor, participants discussed learning how to go through the steps of business ownership, pitch and discuss business ideas, get advice on technical issues, and introduce the participant to others in their networks.

“I like working with people. So, for me if there was mentor opportunity or something where you know there's a service where that's what people are there to do, to help walk you through the steps because it can be so, I guess, subjective as far as depending on your business is, what it is you're doing. There could be a long list of forms that it may or may not apply based upon what you want to do.” (Nascent Entrepreneur)

Entrepreneurs reported varying levels of contact with organizations designed to support business owners.

Compared to other entrepreneurship groups, current entrepreneurs reported using these organizations most often. They reported utilizing a wide range of private, non-profit, and government organizations to start their businesses, including sba.gov, Mortar, MomEntrepreneurs, Black Entrepreneurs in Indy, Nexus Business Solutions, the Indy Chambers, Venturist Inc., Nimble Foundation, and the Indiana Small Business Development Center. Groups like these were generally considered helpful with few criticisms directed at specific groups.

Withdrawn, former, and nascent entrepreneurs cited much lower use of business support organizations and entrepreneurship classes. Withdrawn entrepreneurs specifically mentioned



feeling confused when navigating organization websites, like U.S. Small Business Associations website (www.sba.gov), which may have contributed to their low use of organizational support.

Several current and nascent entrepreneurs reported attending classes, workshops, and webinars offered through business support organizations. Such training events were considered helpful for understanding the general steps toward starting a business, such as writing a business plan. Again, reports of taking classes were much higher among current and nascent entrepreneurs compared to former and withdrawn entrepreneurs. Table 5.2 shows that this is supported in the EPOP-IN Survey as current business owners and nascent entrepreneurs were considerably more likely to report having taken a class (42.2% and 50.6%) relative to withdrawn entrepreneurs (15.3%).

Table 5.2 Survey Results, Classes and Knowing Where to Start

When pursuing entrepreneurship...	Percent Reported		
	Current Business Owner	Nascent Entrepreneur	Withdrawn Entrepreneur
Reported attending trainings, workshops, or webinars relating to starting and operating a business	42.4	50.6	15.3
Reported not knowing where to start	-	58.7	66.9

Note: The symbol (-) indicates this question was not asked of this entrepreneurship category.

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

When asked what supports participants would have liked to have had when pursuing entrepreneurship or what supports they felt they currently needed, classes that teach the fundamentals of business was the second most frequently cited need aside from mentorship. For example, nascent entrepreneurs described wanting more access to hands on training on how to actually start the business from scratch. Table 5.2 reflects this sentiment showing that the majority of nascent and withdrawn entrepreneurship reported not knowing where to start when pursuing entrepreneurship.

In discussions of those who attended classes, there was little mention of substantial benefits of the course that enabled the participant to start the business. Whereas the benefits of mentorship were clearly outlined by participants, the benefits of classes seemed unclear. One possibility is that the major benefit of the classes was to give participants the confidence needed to take more steps or by connecting participants with other aspiring business owners.

At least two business owners reported taking or planning to take college courses related to entrepreneurship. One reported a business course instructor became a close mentor after graduation, and another reported wanting to get her master's degree in a business field. Both participants, however, discussed the high burden of student loans. The prospective master's student described having \$90,000 in student loan debt.

Finally, there were a few mentions of industry-specific organizations, but this type of organizational support was uncommon. One example is an artist who talked about the legal nonprofit aimed at helping artists navigate issues related to copyright law.



Participants generally reported a lack of support from family members. Participants in the nascent and Black entrepreneur groups reported family members were often well-meaning but did not provide the type of support most needed by participants:

"My husband's really helpful because he was an actor, and he owns his own theater company. So, he knows a little bit about being an artist but still having to do the nitty gritty to make money. And he's really helpful like he knows more than me and has been good at guiding me to more specific answers, whereas everyone else is just like "you can do it!" Which is... It's still sweet. I still appreciate it like, but it's a very much more general, you know, and it is not super helpful if you feel like lost or overwhelmed." (Nascent Entrepreneur)

"My family and friends' support can only go so far." (Current Entrepreneur)

Current entrepreneurs, more so than other groups, described their family members as unsupportive. Participants said family members voiced concern about their career goals and encouraged them to be more realistic and pursue conventional employment. This stemmed from both a fear that participants wouldn't be able to make a living and because of the time commitments involved in running a business. One business owner referenced difficulty maintaining the support of family through financial struggles with their business:

"Hey, just give me two years and we can breathe. Just deal with this for two years, that's all I need, and we can breathe." (Current Entrepreneur)

Despite the lack of support from their family members, participants generally did not feel it was a major challenge to entrepreneurship. When withdrawn entrepreneurs were asked if the lack of family support was a major factor in their decision not to open their business, all agreed that this was not a contributing factor. This is supported by the EPOP-IN survey. Table 5.3 shows that while 22% of nascent and 15% of withdrawn entrepreneurs reported a lack of support from family or friends, less than 2% of withdrawn entrepreneurs reported this as the primary reason for deciding not to start a business.

**Table 5.3** Survey Results, Reasons for Pursuing Entrepreneurship

Challenge	Percent Reported	
	Nascent Entrepreneur	Withdrawn Entrepreneur
Reported “getting support from my family or friends” as a challenge while pursuing entrepreneurship	22.1	15.3
Reported “Family/friends were not supportive” as a primary factor in decision to stop pursuing entrepreneurship	-	9.6
Reported “Family/friends were not supportive” as the primary factor in decision to stop pursuing entrepreneurship	-	1.9

Note: The symbol (-) indicates this question was not asked of this entrepreneurship category.

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

Several participants reported that business-owning family members or close friends as a major source of support when opening their businesses. These participants reported having family members who were business owners in their field. One nascent entrepreneur, a woman who plans to open a salon, primarily relied on her small business owner aunt for advice and support. A former business owner recalled that her family members provided "physical help" with the business, such as donating office supplies.

5.2.1 Key Section Findings

- Other entrepreneurs in their field were a primary source of support when participants were starting their businesses. They encouraged participants to pursue entrepreneurship and provided instrumental support in the form of networking and help overcoming bureaucratic hurdles.
- Mentorship was frequently cited as a needed source of support. When describing the perceived benefits of finding a mentor, participants discussed learning how to go through the steps of business ownership, pitch and discuss business ideas, get advice on technical issues, and introduce the participant to others in their networks.
- Current entrepreneurs relied on a wide range of private, non-profit, and government organizations for support when starting their business. Withdrawn and former entrepreneurs alternatively reported very low use of these organizations.
- Entrepreneurship classes were considered helpful for understanding the fundamentals for starting a business but did not appear to be a major factor in participants' ability to start their business. Fundamentals classes were the second most frequently cited support need.
- Participants often reported a lack of support from family members, with current entrepreneurs frequently reporting family as unsupportive. While participants did view lack of support as an issue, participants generally did not feel it was a major challenge to entrepreneurship.



5.3 BARRIERS TO ENTREPRENEURSHIP

Throughout the focus groups, participants mentioned various barriers to entrepreneurship, including financial barriers, legal and administrative barriers, time constraints, and the need for health insurance coverage. The following sections summarize key findings by these themes.

5.3.1 Financial Barriers

Focus group participants were asked what types of financing they pursued when starting their businesses. Entrepreneurs from all groups cited self-financing as their main source of startup capital, mentioning savings accounts, and charging to personal credit cards. Financing was reported as a significant barrier by former, nascent, and withdrawn entrepreneurs. These groups cited struggling to make enough money through their business to support themselves and their families. Many pursued third-party funding sources, such as grants or loans, but found them inaccessible and ended up stepping away from their businesses when self-financing was no longer sustainable. The focus group participant experiences were reflected in the survey data. Table 5.4 details how 37% of nascent and withdrawn entrepreneurs were challenged when accessing capital to cover start-up costs, and 59% reported not having enough savings to cover start-up costs.

Table 5.4 Percent Reporting Financial Challenges while Pursuing Entrepreneurship in Survey

Financial Challenges	Percent Reported		
	Total	Nascent Entrepreneur	Withdrawn Entrepreneur
Challenges with personal/family finances while the business is getting started	38.1	42.0	36.5
Not having enough savings for start-up costs	58.5	55.6	60.1
Accessing capital to cover start-up costs	36.7	39.3	35.7

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

The complex criteria of bank loan applications, and the lack of feedback provided with denials, was participants' top financial barrier to entrepreneurship. Current, Withdrawn and Nascent entrepreneurial groups highlighted how difficult it was to get approved for a bank loan without concrete business success and some initial financing in place. A nascent entrepreneur shared how difficult this is:

"I haven't readily run into anything where you know you could show your business plan and what you plan on doing, and they'll help you. To get a business loan you need to already have a business up and running." (Nascent Entrepreneur)

These entrepreneurs reported that once their application was denied, they did not receive any feedback from the bank. They were left to decipher for themselves how to improve their applications or business plans. This ultimately put those at the early stages in opening a business, and those without entrepreneurial experience, at an even greater disadvantage. This is supported



by the survey data which indicates nearly 26% of withdrawn entrepreneurs cite a lack of financial resources as primary or secondary reason for ending their business pursuit (see Table 5.5).

Difficulty navigating the grant application process prevented participants from accessing grants. Nascent, withdrawn, and former entrepreneurs reported not knowing where to start in their search for grants, felt overwhelmed once they began, and were unsure of what sources they could trust. They mentioned being unsure if they qualified for specific grants or if funding sources were for them. These groups highlighted a need for what they called a “centralized” database of dependable third-party funding sources. A withdrawn entrepreneur highlighted how crucial a centralized resource list would have been to them before stepping away from their business:

"If the State, or even at a federal level offered and made it easy to find that information. I would have appreciated that. I think that would have made the difference." (Withdrawn Entrepreneur)

Table 5.5 Percent of Withdrawn Entrepreneurs Reporting “Lacking Financial Resources” as Primary or Secondary Reason for Decision to Stop Pursuing Entrepreneurship

Reason	Percent Reporting
Primary Reason	8.8
Primary or Secondary Reason	25.8

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

5.3.2 Legal & Administrative

To introduce the topic of legal and administrative challenges, participants were asked, “Starting a business often requires steps such as working with city officials to obtain proper licenses, hiring a lawyer, tax planning, or applying for copyrights or trademarks. When you were considering starting your business, did you take any of these types of steps?” During and after their discussions on what steps they took, participants had the opportunity to elaborate on challenges they faced during these steps and ways they could have been helped.

When broadly discussing business operation steps that need to be taken to start a business, participants often reported feeling like the process of finding the necessary information to complete these tasks were tedious and unclear. Withdrawn and nascent entrepreneurs reported not having a clear sense of where they should go to find the information they needed. Across all discussions, participants reported using google most frequently to address their startup questions but felt that they were given too much information that they had difficulty navigating.

"It's real tedious, and nothing is just right there in your face. You have to rely on different websites and resources just to get a gist of how to do things." (Withdrawn Entrepreneur)

"I didn't pursue the business because all these things like I don't even know like the clerical stuff or market research." (Nascent Entrepreneur)



Legal needs were one of the primary business startup steps that participants undertook, and they reported that the high costs associated with legal help was a barrier to their startup. Participants needed to pay what they considered to be a large amount of money to ask a few questions and complete a startup task they felt like they should be able to do themselves. At the same time, however, participants feared making mistakes on legal tasks if they were to not hire a lawyer. The nascent entrepreneurs were worried about breaking the law and one current entrepreneur discussed frustration with changing laws and the difficulty in staying up to date on changes. Withdrawn and former entrepreneurs did not mention legal issues in their discussions.

Outside of legal support, accounting tasks were also widely cited as a barrier to business ownership among nascent and current business owners. Current business owners reported feeling like their taxes should be a relatively straightforward task given the size and complexity of their company but felt like the prices quoted by accountants and do it yourself software were more appropriate for larger businesses. Some reported paying for an accountant to file their taxes. Participants described this as more expensive than they had expected but did not feel they had the skills to file their own returns. One current entrepreneur describes the frustration with paying for an accountant:

“...just wanting to have that authority and autonomy over the business is frustrating, because you don't know what task you're supposed to be delegating to someone that's an expert, and you also don't want to be ripped off. I don't want to be ripped off. And there are many ways to get ripped off, especially when people think that you don't know what you know.” (Current Entrepreneur)

Others did their own accounting. Several participants used QuickBooks, with one describing the software as nearly impossible to use because there are so many variations of the software that online tutorials often aren't helpful. This participant eventually switched to using Excel for their bookkeeping needs.

Former and withdrawn entrepreneurs did not report that legal or tax issues were a barrier. Former business owners had a different experience in setting up their business as one described the experience as “nothing really complicated.” Most described having little trouble with the bureaucratic processes, even when having businesses that required work in insurance, legal, accounting, and licensing. Another former entrepreneur said:

"Mine was easy. Like I said, my husband's boss talked to me into opening the company. It was like three days and then all of a sudden, we were open and working."

5.3.3 Time Constraints

Time constraints were not specifically asked about by the focus group moderator, but all entrepreneurial groups and the general population groups mentioned a lack of time as a key barrier to entrepreneurship.



Entrepreneurs reported that they did not have the time required to start their businesses while working enough to cover their own living expenses. Many entrepreneurs from our sessions had to choose between personal financial stability or launching their business. These struggles were also seen in our survey results, where over 38% (Table 5.4) of nascent and withdrawn entrepreneurs say that they faced a challenge with personal finances when starting their business. A former entrepreneur also discussed the struggle of scheduling when starting their business and working a second job to cover their personal expenses:

"I have to work my other job tomorrow because [my business] is not making me any money yet. And it's like, okay, so the person that I need to talk to, to get my product into this facility is not here right now. And the time that they're going to be available, I can't come because I have to go work another job that's paying my bills."

The issue with time extends beyond entrepreneurs' work life, and into their homes as well. One current entrepreneur cited the difficulty of finding time for their kids, spouse, and family while still maintaining their business. They shared that, "You get so tied up in the business, that you start getting behind on home and family relationships," highlighting how starting a business can have impacts beyond just the individual entrepreneur.

The time commitment of running a business was a major deterrent for the general public. One member, citing it as their main reason to not pursue entrepreneurship, "You're constantly working, always on the clock, pretty much around the clock."

5.3.4 Health Insurance

The need for employer-provided health insurance was not prompted at any point during the focus group discussions, however, two focus group discussions brought this up as a primary barrier to being a full-time business owner. Former and withdrawn entrepreneurs cited health insurance as a primary, if not the only, barrier to business ownership:

"I would go back into business right now if there was ... In Indiana, they had a group health insurance plan. But because of the situation with my husband, I'm on a Marketplace ACA plan. And the more money I make, the more my premium goes up. If I had affordable healthcare through a state pool for small business owners, I would go back into business... Yeah, it would cost me about \$20,000 a year if I went back into business and turned a profit, just for healthcare." (Former Entrepreneur)

"I agree health insurance, is a big thing when your sole proprietor or owning your own business. It's a big deal. Big issue." (Former Entrepreneur)

"Indiana is a super expensive healthcare state... I worked for a company with a good healthcare package and that made it hard to leave" (Withdrawn Entrepreneur)



The EPOP-IN Survey provides mixed support to the idea that the need for health insurance is a major barrier to entrepreneurship. When asked about challenges faced while pursuing entrepreneurship, 35% of nascent and 38% of withdrawn entrepreneurs reported the need for employer-provided health insurance (see Table 5.6). This is roughly equivalent to the percentage reporting other challenges including “challenges to personal/family finances while the business is getting started” and “balancing work and family.” When withdrawn entrepreneurs were asked about their primary factors in deciding to stop pursuing entrepreneurship, 17% reported health insurance as a primary challenge, while only 1.8% reported health insurance as the primary factor. This finding is inconsistent with the focus group discussions.

Table 5.6 **Survey Results, Need for Health Insurance**

Challenge	Percent Reported	
	Nascent Entrepreneur	Withdrawn Entrepreneur
Reported “Not being able to access and/or afford health insurance” as a challenge while pursuing entrepreneurship	34.5	39.7
Reported “I needed employer-provided health insurance” as a primary factor in decision to stop pursuing entrepreneurship	-	17.4
Reported “I needed employer-provided health insurance” as the primary factor in decision to stop pursuing entrepreneurship	-	1.8

Note: The symbol (-) indicates this question was not asked of this entrepreneurship category.

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

5.3.5 Key Section Findings

- Entrepreneurs rely heavily on personal finances to kickstart their business. When this is no longer sustainable, they turn to third party sources, such as grants or loans, but entrepreneurs repeatedly found that these sources inaccessible. Early-stage entrepreneurs found that funding is not available to those just starting their business, and current entrepreneurs found bank and grant criteria to be overtly specific.
- Entrepreneurs desire a centralized source, preferably hosted by the government, that lists relevant grants and third-party lenders for small businesses. Entrepreneurs from all backgrounds reported feeling unconfident and overwhelmed in their search for third-party funding.
- Participants often reported feeling overwhelmed by the amount of information that they were presented with when trying to find solutions to business startup tasks.
- Legal and accounting fees were a burden to business owners who wanted to have the skills required to complete these tasks on their own.
- All groups cited time as a major barrier to entrepreneurship. The time commitment to start and run a business is a deterrent to the general public and was routinely cited by entrepreneurs as an issue when balancing multiple jobs and sustaining personal relationships.



- The need for health insurance was reported unprompted in two focus group discussions as a primary barrier to entrepreneurship. This is inconsistent with the EPOP-IN Survey results which shows that most nascent and withdrawn entrepreneurs do not report the need for health insurance as a main issue.

5.4 REASONS FOR BUSINESS CLOSURE FOR FORMER ENTREPRENEURS

The primary reason former entrepreneurs closed their businesses was that they did not make enough money to sustain both their businesses and their families. This centered around the relationship between time and money. Numerous former entrepreneurs worked multiple jobs to try to sustain their businesses, but when this was no longer financially stable or the time commitment became too overwhelming, they chose to step away. This is also reflected in the survey results, where 41% of respondents say a “lack of financial recourses” and 42% report a “lack of time” as reasons for closing their business (Table 3.7). One former entrepreneur described their decision to step away as:

"I got to a point where I realized I wasn't making the kind of money that I really needed to make in order to provide for my family, so I decided to switch careers at that time. It takes a long time to build a profitable business."

A secondary cause for entrepreneurs to step away from their business was a significant life event. The most mentioned reasons were a personal or close family/friend illness and death that led entrepreneurs to reevaluate their professional and personal lives, ultimately leading to them step away from their business. Over 25% of survey respondents reported this in our survey, highlighting how impactful major life events are when you are the sole proprietor of a business (Table 5.7).

Table 5.7 Survey Results, Reasons for Business Closure

Reason	Percent Reported
I decided it was too risky	43.1
Lack of time	42.4
Lack of financial resources	41.1
I needed help, but did not know where to go for support	35.1
Lost focus, interest, and/or motivation or felt burnt out	33.8
Major life event (such as a new child, own or family medical issue)	25.3
I decided to take a new job/enter employment	18.6
I needed employer-provided health insurance	17.4

Note: Less than 10% reported the following reasons: “Family/friends were not supportive”, “I decided to go back to school”, “I received a promotion at work”, “Other factor,” “Difficulties with partners or investors”

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.



5.4.1 Key Section Findings

- The relationship between time and money was critical for why entrepreneurs step away from their business. Not having enough time to make the money to support themselves, their families and their business was a consistent problem for participants in our sessions.

5.5 EXPERIENCE OF BLACK ENTREPRENEURSHIP IN INDIANAPOLIS

One focus group discussion was comprised of six self-reported Black entrepreneurs who reside in the Indianapolis area. Five of the participants were current business owners and one was a former business owner. The discussion was moderated similarly to the current business owner discussion with the addition of one section on race. The topic of race was brought up by sharing EPOP-IN Survey findings on business ownership by race: “One finding that came out of this survey is that Black Americans are much more likely to report owning a business than White, Asian or Hispanic Americans.” Participants were asked if they were surprised by the finding and went on to discuss challenges faced by Black business owners in Indianapolis and possible solutions to those challenges.

5.5.1 Financial Barriers

Business owners reported that it was difficult to find government or private funding that fit their business and felt most funding sources were not interested in supporting their community. When asked about the ways the state could better support black entrepreneurs, one participant said, “one of the biggest things is having organizations that are interested in pouring into us and being forthcoming with capital.”

When asked about the challenges that Black business face, one participant reported feeling like their credit score made business loans prohibitive and wished criteria for loans to be altered to account for:

“I’m still a human being, you can still have a conversation with me. You don’t know why I have the number that I have, that you think is disqualifying me from a resource, and clearly that’s a barrier, so I think it should be more conversations about what barriers are there, instead of, this is the number, this is the number, and these numbers aren’t right, so we’re not even going to look at this.” (Current Business Owner)

5.5.2 Resources for Black Business Owners

Participants were unsure about whether any local, state, or federal benefits existed that were aimed at helping Black business owners. Several participants were interested in this topic, but it was not apparent where they should look for these resources. One participant on the importance of local business and how the state should be prioritizing funding and policy that favors small business:

“I wish they looked at more of the benefits of having sustainable small businesses rather than, ‘Why do you deserve for us to help you and to give you business?’”



Well, I deserve to be helped because I live here, and I pay taxes, and I pay your salary. So, it should be a relationship, and not just transactional." (Current Business Owner)

5.5.3 Support Organizations & Mentorship

Black business owners also stood out from the other focus group discussions in their use and importance placed on support organizations and mentorship. This trend was compared to the EPOP-IN survey findings to see whether there were differences in organizational and mentorship usage at the state-level. Table 5.8 shows the prevalence of steps taken among Black and White entrepreneurs. The results indicate that Black entrepreneurs are more likely to report networking, attending classes, and applying to support programs. They were not, however, more likely to find entrepreneurs as mentors compared to the White respondents.

Table 5.8 Survey Results, Networking and Development Steps Taken among Black and White Entrepreneurs

Steps Taken While Pursuing Entrepreneurship	Percent Reported	
	Black Entrepreneur	White Entrepreneur
Identified and worked with a mentor(s)	18.67	18.25
Networking with experts, colleagues, or acquaintances in the field	31.49	23.82
Attended trainings, workshops, or webinars relating to starting and operating a business	42.94	27.80
Applied to a support program for new business	23.79	7.57

Source: NORC, Entrepreneurship in the Population: Indiana Survey, 2023.

5.5.4 Key Section Findings

- Business owners reported that it was difficult to find government or private funding that fit their business and felt most funding sources were not interested in supporting their community.
- Participants were unsure about whether any local, state, or federal benefits existed that were aimed at helping Black business owners.
- Black business owners also stood out from the other focus group discussions in their use and importance placed on support organizations and mentorship.

5.6 NON-ENTREPRENEUR PERSPECTIVES

The general population participants' perceptions on entrepreneurship often varied from the realities reported by business owners.

General population perceptions of why entrepreneurs go into business differed from the actual motivations of entrepreneurs. General population participants were united in their



belief that you must have a brand-new idea or identify a gap in the market before starting a business:

“To make a business, you would need a completely different idea to get people's interest on you, and if you have that then it's worth it.” (Non-entrepreneur)

However, entrepreneur groups never mentioned this as a prerequisite. Most of them were not offering a brand-new product or service but had pursued business ownership to be their own boss, make more money or monetize their hobbies and passions. The belief that you need to identify a gap in the market may be holding the general population back from pursuing entrepreneurship. Overall, this could result in fewer individuals pursuing entrepreneurship due to the public's narrow view of who should pursue business ownership.

The general population does not understand the critical role that entrepreneurs in the same field play in supporting new entrepreneurs. When asked from where they think entrepreneurs receive support, no general population members mentioned peers. However, entrepreneurs named co-workers and other entrepreneurs in their field as the primary source of support when starting their businesses. The general public perceived the main source of support for business owners to be their families. And while many entrepreneurs relied on family, it was rarely mentioned as their main source of business support.

The general population believes high interest rates and taxes to be the primary financial barriers for entrepreneurship. While the public was correct that loan accessibility is a barrier, their understanding of why loans are inaccessible was incorrect. None of the entrepreneurs referenced interest rates or taxes as a financial barrier, rather they are hindered by complicated criteria and the lack of quality feedback from financial institutions when denied from loans. Yet the most common response we heard from the general public around loans was regarding interest rates and taxes:

"The interest rates for getting a small business loan. They could probably make those standards easier."

5.6.1 Key Section Findings

- The general public believes entrepreneurship is reserved for individuals with unique ideas that have identified a gap in the market.
- The general public misunderstands how and who can best support small business owners. They perceive it to be family and friends, when entrepreneurs cited peers in their industry as their primary support system.
- The general population misperceives the financial hardships of entrepreneurs. They cited taxes and interest rates as their main barriers, but, in reality, entrepreneurs are unable to access third-party financing because of intricate criteria and lack of application support from lenders.



6. FINDINGS FROM STAKEHOLDER INTERVIEWS

Entrepreneurship experts who were stakeholder interview participants were provided preliminary findings from the focus group discussions prior to the interviews. Interviews were structured around these findings, with the interviewer asking participants to provide their reactions and add context to the findings. This section summarizes the findings from the stakeholder interviews.

6.1 HISTORICAL CONTEXT OF ENTREPRENEURSHIP IN INDIANA

Two aspects of the Indiana entrepreneurial landscape were prominent in all interviews and framed many interview participants' responses.

First, participants noted that entrepreneurship in the context that it is used today, has been around in Indiana for less than 20 years (reports vary from 5 to 20 years depending on the participant). As one stakeholder noted:

"In Indiana when you really think about entrepreneurship, and you use that word, you really can only go back maybe 10 [to] 15 years ago before the word just meant, like, you know, some guy living on their couch, living on their parents' couch."

"I talk to a lot of people on the West Coast who have ties to Indianapolis and literally have no idea what we've worked on here the last 5 years. When they hear it, they're like, 'Oh, my gosh! It was such a sleepy town when I left!' I heard, you know, like the downtown area didn't exist or that half the tech companies didn't exist. There was no venture capital like I don't think anyone here even knew about venture capital."

Second, as the interview participants were more established entrepreneurs, they did not have firsthand experience in using many of the resources discussed when they were starting their first businesses. They noted that some resources did not exist even five years ago in some instances. From these stakeholders' perspective, Hoosier entrepreneurs have seen a rapid expansion of support resources and financial opportunities. During interviews, they often commented on the newness of these resources, while also admitting they had not personally used them. For example, one participant described their difficulty in finding other entrepreneurs in their field when starting their first business:

"Being in Indiana—talking about 2003 now—and even before, that as I was considering doing this, there was a scarcity of such individuals. You could count them on one hand the number of folks that had attempted to do what I was trying to do... and there was a deep-seated skepticism that it could even be done here in Indiana."



6.2 ENTREPRENEURIAL PEER NETWORKS

Interview participants were asked to react to the focus group finding that entrepreneurs in the same field are considered the primary source of support when starting a business. All experts agreed that networking with other entrepreneurs is an extremely important form of support because entrepreneurs can learn from those who have shared experiences:

“Startup founders talk to other startup founders all the time. That’s where you get probably the best advice. The most open, you know, networking occurs between, you know, the founders themselves.”

“They’re walking in your shoes so, by far and again, they are the best form of support.”

When asked if there is value outside of their field, one stakeholder noted that being in the same field or industry was generally important because entrepreneurs will have more in common but that finances were more relevant across fields:

“It depends... it’s important that they have a common language, common experiences. What happens in the life science industry is much more valuable than connecting with people who are in energy science or microfluidics, things that have nothing to do directly with life sciences. The financial part of it is less specific to the industry. So that, I think, translates much better...”

In discussing how focus group participants found it difficult to find entrepreneurial peers, multiple stakeholders experts noted the importance of industry experience. They stated that gaining experience in their industry before starting a business makes it easier to find other entrepreneurs. One stated that without their industry experience: “I would have failed just trying to be an academic, trying to translate my research into [a] public venture.” Similarly, being young or having just graduated from college was viewed as a disadvantage, making it difficult to meet and connect with others:

“If they’re, you know, if they have 10 years or more of experience in a particular field, they’ve probably got a pretty well-established network. And you know, finding the right people is easy for them. But if they’re right out of college, or something like that, it’s probably difficult. They probably don’t have, you know, a large network. And there’s only so much that Google can show you on how to start a business.”

One expert stated that the only challenge they faced in terms of peer entrepreneurship networking was receiving too much information and advice from their networks. They described this issue as having to sort through the noise:

“I mean, the only challenge might just be...what I’ll just call, sorting through the noise. They’re going to get a lot of advice. They’re going to get a lot of, you know, suggestions and things like that. And just being able to prioritize and stuff through which ones are actually the important ones, which ones they can actually implement for their startup company. I think it’s the hardest part, but I think that’s true with a lot of occupations... It takes a while to figure that out, though.”



6.3 MENTORSHIP

Focus groups participants cited a need for mentorship, which was echoed in the stakeholder interviews. Interview participants discussed both a lack of informal and formal mentorship opportunities programs in Indiana. When asked if they knew of any mentorship programs in the state, stakeholders were familiar with alumni programs through Purdue, Indiana University, Butler, and Notre Dame, regional non-profits, such as Fortitude Fund and IVANTI, and one stakeholder mentioned several informal CEO gatherings. While many mentoring programs exist, the experts noted that resources were confined to certain areas of the state, namely Indianapolis and northeast Indiana, and there were far fewer resources available for entrepreneurs who were not alumni of the major Indiana universities.

The lack of mentors in Indiana was largely attributed to a lack of successful entrepreneurs located in Indiana. One participant, who described themselves as being an active member of the entrepreneurship community, describes how finding opportunities for mentoring differs between Indiana and cities with a higher concentration of entrepreneurs:

“[In Chicago] I literally could just walk to a coffee shop and find 10 other people who I could have a conversation with about my startup. You can’t do that here. Those people exist but you got to bring them together somehow...If you’re out in Silicon Valley, you go to Starbucks. I could sit down and talk to 10 venture capitalists. At my local Starbucks, here, I’d have to plan that probably a month in advance. I could get them, but I got they’re not just hanging out at the Starbucks, you know?”

The same participant felt that a networking program called Detroit Homecoming could be an ideal model for bringing together entrepreneurs in Indiana. They described the early years of the program as being a small gathering of Michigan expats, who left the state to pursue entrepreneurship. They described the invitation as being informal and convenient for his busy schedule, “[they said], ‘Next time you come home, whether it’s for you know holidays or visit your parents, or whatever we would love to show you what we’re working on.’” Through the event, successful entrepreneurs who had left the state could learn about the progress that had been made in Detroit, which would strengthen their ties to Michigan. They said:

“The point is actually, ‘Now, you know what [Detroit has been] working on. We just want to connect the dots.’ Microsoft now has more ties to Detroit. Google has a large office in Detroit. All of that is, from their little Detroit Homecoming, just saying, ‘hey, we’ve got resources. Now we’ve got connections. You all know the terrain. You know the schools already. Just a friendly plug.’”

Another expert felt that part of the issue of mentoring could also be attributed to the lack of publicity surrounding existing mentoring programs. This participant was involved in an Indianapolis-based mentoring program aimed at teaching minority women how to run successful businesses. They describe the program as being a “rip roaring success” but with no publicity:

“Honestly, if you ask 10 people on the street, you’d be lucky if one even knew anything about it. It’s a very successful, very well-run organization, but they, they



don't really advertise or promote like they should, and they don't get the recognition they should."

6.3.1 Developing Mentorship Programs

Another expert, who had experience in developing mentorship programs, discussed two issues that they faced.

First, they brought up the close ties between mentoring and funding startups. From their experience, mentorship in entrepreneurship is almost always treated as an investment opportunity by both mentor and mentee. They note that this can be detrimental to the relationship because it encourages mentees to hide their struggles to appear investment-worthy:

"Whenever you attach capital to mentorship, that just provides a whole different perspective because mentorship requires a lot of vulnerability and humility. I mean, it would not be in founders' interest to have a mentor who's also judging you for whether you are investment-worthy or not."

Second, the participant also noted the importance of having programs that are well-funded and that can remain active over time. They viewed longevity of mentorship programs as being critical to their success and discussed an experience in which a promising mentoring program was derailed by funding issues:

"They got pretty good market traction, but the funding mechanism ends up becoming a government entity that in the government setting couldn't continue funding anymore. It's kind of didn't last... The continuity is important, right? This is a decade plus a long effort to have it. Because it takes 5 to 7 years at least to get something off the ground. For these programs to come and go in 2- or 3-year cycles, it just it doesn't really address the systemic problems."

The importance of longevity in mentoring programs was echoed when another expert discussed the long-established and strict schedule, they kept for 10 years which enabled them to stay active and consistent in their mentorship program:

"I think the successful mentor program is one that's established--that you have a time, and you have a commitment, and it needs to be from both sides. You can't, you know, bail on the entrepreneur nor can the entrepreneur bail on the mentee. Because they're both giving up a lot of that time and responsibility to do it, and it needs to be a dual commitment."

One of the four participants felt that the importance of mentors was overstated. They felt that the time needed to mentor was unrealistic for most entrepreneurs, especially those who would have the most to offer as mentors. They felt that "learning by doing" was more important for entrepreneurial success and should be valued over mentoring programs:

"The real problem is that there's just not enough time in the day, right? The people who are doing this and doing it well are working 24/7. The way one learns is by doing side-by-side. You can offer advice on a specific question. You can make



introductions. But I haven't found formal mentoring in either direction to be something that has been an important part of what I have been about.”

6.4 ENTREPRENEURSHIP CLASSES

The focus group discussions showed that nascent entrepreneurs were interested in taking classes on the fundamentals of business ownership but were not always able to find classes. These interview participants were asked whether they knew of entrepreneurship classes, and all were familiar with several that were offered in Indiana and felt that their programming was high-quality and provided students with relevant skills for business ownership. One participant was a guest speaker at an evening class and seemed especially familiar with the types of courses that were offered at several Indianapolis universities:

“They not only teach some of the fundamentals of business and accounting and services. But most of the classes are taught by service people who actually provide insurance and programs to entrepreneurs, attorneys who talked about contractual issues and things, business owners who are teaching textbook but also have lived the life and can discuss it for probably the last 10 years.”

“There are some programs, probably not enough, but most of them do really engage other entrepreneurs here in the city to participate in them. So, you're getting not only textbook, but real-life experience.”

They concluded that the classrooms were always full, making them believe that the class availability may not be meeting student demand. They also noted, however, a bigger issue of entrepreneurship courses which is that they do not believe that classes can turn someone into an entrepreneur:

“The other side. Can you teach somebody to be an entrepreneur? I don't think so. Either you have it, or you don't...the person who is going to the class determines whether or not they're going to be an entrepreneur.”

6.5 FINDING TIME FOR NETWORKING, MENTORING, AND SUPPORT ORGANIZATIONS

An issue that was described by several of the experts when discussing the importance of entrepreneurial peer networks, mentoring, and the use of support organizations is being able to take time out of their day to network and participate in programs that support entrepreneurs. As one participant explained, the nature of running and business can make it seem impossible to find time for entrepreneurial organizations:

“Truly, particularly in a startup company, the entrepreneurs [are] generally heads down 10, 12, 14 hours a day trying to get to the finish line or get the thing off the ground. And it's tough to step away from it. I found that phenomenally hard in my first company in the first couple years of stepping back from the company. I felt I had to be there every day all day to make sure things were getting done. So I think part of the finding that outside resource is taking the time away during the



day to connect. Or there's seminars going on. There's luncheon's, probably 2 to 3 a month for small business owners can get together and get inside information and make contacts with services organizations that help them. And it's just paying attention to those emails. Most of them probably end up in the spam folder.”

Another talked in detail about strategies that they used to make time for entrepreneurship supports:

“The key that I found to successful mentorship is to set a date, a time. I go back to the tech group. We met the third Monday of the month, and it was an all-day meeting, and that was a religious calendar. It was built in, and I knew that was the day. And I got enough value out of it that, as I said, I only missed one meeting in 10 years.”

Both participants felt that the time spent on entrepreneurial supports was beneficial. One expert said they wish they had made time for entrepreneurship programs sooner because it taught them the importance of spending time away from the business: “if walking away from the business for an hour or two is going to cause it to collapse it, it's really not a business”.

6.6 BARRIERS TO ENTREPRENEURSHIP

To introduce the topic of barriers to entrepreneurship, interview participants were asked to reflect on what they believe to be the biggest barriers to entrepreneurship in Indiana. The four experts discussed two topics, “thinking big” and “problem-focused business.”

6.6.1 Not “Thinking Big”

Two participants thought that the greatest barrier to entrepreneurship in Indiana was that Hoosiers were unable to “think big” when it comes to building a business. Both stakeholders discussed how it was difficult to change this mindset without companies like Google, Microsoft, and Uber in the state. Hoosier entrepreneurs were described as having the mindset of “how can I maybe tweak a business. Not, how can I create the next Uber?”

One attributed this issue to deep rooted cultural orientation in which Hoosiers are more conservative especially in their ideas regarding technology:

“It's just the cultural orientation of Hoosiers to technology and the future. It tends to be a more conservative environment--more left brain, very analytical. Not the sort of risk-taking that has come to be embraced in other parts of the world, notably in California.”

The other participant who cited the “thinking big” problem as the main barrier for Hoosier entrepreneurship blamed the low cost of living in Indiana. From their perspective, the scale of success is much smaller in Indiana compared to larger cities, so entrepreneurs don’t need to grow a business as much as they would in cities like Chicago:

“If you make a million bucks in Chicago, that's a good salary, but you can't retire off of that. A million dollars in Indiana, I mean yeah, you've kind of achieved it. You're done. And so, people don't have to think as big to create something here.”



That's something that I've kind of struggled with a little bit because I've seen founders, you know, have exits for 5 million or 10 million dollars, and they're done. They literally are out of the game. They're gonna go hunting for the rest of their life, and they're done—like hunting literally. But like in Chicago, that's almost just a start. That's kind of like, okay now, we're just getting warmed up, what's next. Like they don't have that drive, and that's something that I don't know how to compete against because you're dealing with such a low cost of living.”

6.6.2 Problem-Focused Business

In addition to the problem of “thinking big,” the two other interview participants viewed the greatest barrier in Indiana entrepreneurship as being related to an underlying need to solve customers’ problems in order to be successful.

“The successful companies out there found a real serious problem and then created a solution. I would tell you I probably looked at over a 1,000 business plans over the last 4 years easily and most of them are solutions running around trying to find the problem. They're not going to add it from the other side.”

Another expert discussed this issue in terms of being able to find customers that will support the business. They were surprised to see that this topic was not an issue that was talked about in the focus group discussions and felt that many of the issues discussed in the focus groups could be linked to the need for finding customers. They say:

“The thing that did not surface is how, and that's me putting my investor hat back on, and that I would have thought, for most founders, one of the top barriers they would have said is ‘how am I going to go about getting the sufficient number of customers to make this a success?’ Whatever success means for the particular entrepreneur... I mean at the end of the day, you look at what they're citing for quitting, and essentially, they're not getting sufficient customers to keep it going.”

The first interview participant attributes this issue to nascent entrepreneurs wanting to start a business for the wrong reasons:

“Most of the people that I am seeing don't really have a passion for the business. They want flexibility of schedule, and they want to play golf on an afternoon. They want to, you know, take every dime out of the company for their own self use. Those are the guys that fail. You have to have a passion for what you're doing. You have to truly believe in the product and the service.”

6.6.3 Business Financing

Focus group participants said they needed a “centralized database of dependable third-party funding sources.” Interviewers asked the experts whether they were aware of any existing databases like this or any in development. None of the participants interviewed were aware of a centralized database of funding opportunities.

As one entrepreneurial support stakeholder noted:



“Optimization of resources is the goal now – how to get people to the right resources quickly and effectively – rather than someone making 10 applications to things that are not a fit and getting denied.”

6.6.4 Health Insurance

In focus groups, withdrawn entrepreneurs named the high cost of health care as a top reason for stopping their business. However, in our survey, health insurance was not identified as a top issue. Interviewers asked the stakeholder interview participants to comment on these conflicting findings and the extent to which health insurance presents a barrier to entrepreneurship in Indiana.

Of the three participants who commented on this issue, all felt that health care was not a barrier to entry. They gave various reasons why, including that aspiring entrepreneurs are typically young and healthy without large families to take care of and that most aspiring entrepreneurs don’t have a sense of the actual cost of health insurance. However, two experts explained that finding out the cost of healthcare later may have contributed to focus group participants stopping their businesses:

“I can see the disconnect with people, saying, oh my God, I just can't afford this! This was an expense I didn't anticipate... I wasn't really surprised that a lot of people were caught off guard because they just don't think about [what it costs the employer].”

“People are finding out, feel the pain after the fact because they didn't know what it was going in... There’s a knowledge gap there.”

6.7 PUBLIC PERCEPTIONS OF ENTREPRENEURSHIP

Interview participants were asked to comment on what they saw as the biggest things the public misunderstands about entrepreneurship. In general, they note that the public doesn’t understand how hard it is to be an entrepreneur. As they explained, the public think it’s glamorous and you have to be rich:

“It’s a tough, tough job. I think there's a disconnect from a lot of people in [the] public thinking, you know, these are a bunch of rich kids just off having fun. It’s fun to own your own business and it's fun to get something off the ground, but it is phenomenally hard work. I think that's the disconnect.”

“People think it’s glamorous but it’s a daily grind. It’s stressful for main street businesses, freelancers, and venture-backed CEOs. It’s just different stress.”

One participant questioned the concept of a public opinion about entrepreneurship. From his perspective, “The public doesn’t know what entrepreneurship is enough to have any opinion.”

The interviewer then probed for feedback from the expert regarding some of the misperceptions identified in the survey.



6.7.1 The Necessity of a Brand-New Idea

The first misperception discussed was that the public assumes a person must have a brand-new idea to start a business, but entrepreneurs in our focus groups rarely started with a brand-new idea. Instead, they pursued business ownership so they could be their own bosses, make more money, and monetize their hobbies and passions.

When asked to reflect on this misperception, interview participants were clear that having a brand-new idea is not a prerequisite for entrepreneurship in Indiana. As one expert explained:

“The success rate to be the next Elon Musk is pretty low. That's a very specific type of entrepreneurship. The vast majority of entrepreneurship does not fit into that model, does not get VC [venture capital] funded. And that is perfectly okay.”

This expert further elaborated that the public misperception was likely the result of who the media covers:

“If you read the media here naturally, regionally and locally, who do they cover? They cover the entrepreneur that's selling new ideas, new products, the next Facebook, the next Google, the next Tesla, right? Not the pizza franchise that is going to happen around the corner. But that kind of person can have a successful franchise here in Indianapolis.”

Several interview participants commented that success is often the result of iteration on an existing idea, not necessarily having an “invention” or “a miraculous insight that no one's ever seen before.” More important than having a brand-new idea, they say, is having a solution to a problem and being able to build a customer base.

Challenging this misperception may be important as it could be a deterrent to Hoosiers who want to be entrepreneurs but do not have a brand-new idea.

6.7.2 Interest Rates & Taxes as a Barrier to Entrepreneurship

The second misperception discussed was that the public assumes high interest rates and taxes are the primary financial barriers to entrepreneurship. In focus groups, none of the entrepreneurs mentioned taxes or interest rates at all. Interviewers asked participants to comment on the public's view.

The interview participants were united in their assertion that high taxes are not a barrier to entry because entrepreneurs won't pay taxes until they start making profit. Using that same logic, they noted that tax benefits and incentives are not a motivator for entrepreneurs. As the participant explained:

“You need to get customers, get revenue, have a net profit, before you pay taxes. Without customers and revenue, you're not paying taxes. Tax rate is not relevant to entrepreneurs starting out because they're not generating profits... I never heard anybody say I'm going to move from Chicago to Indiana because taxes on business are lower here. It's not what they worry about – they worry about getting customers.”



“When you start a company, you don't have revenue, let alone profit, and that's what you get taxed off of. So, what is giving me some tax incentives going to do to make me say, oh, I should really grow my business in Indiana? It's too late, you know. I've already started. So now help me start my business or come back to me a few years from now when I've grown it to a certain size and then yeah, I'd love to get some of those tax benefits, but until then that's just noise in my ear. When they start talking about tax benefits, it's like you're talking to the wrong person. That's not this crowd.”

These experts noted that high interest rates also do not deter aspiring entrepreneurs. They are not bankable at the outset and most entrepreneurs are self-funded. One participant hypothesizes that the public does not understand where financing comes from:

“If your argument is becoming that the cost of doing business, the cost of capital is getting too high, I get that. But as you're finding, most entrepreneurs are self-funded, they can't just walk into the bank and try to get a loan ... Maybe there is confusion [by the public] about how entrepreneurs are financing when they are getting started. Maybe they don't understand how the financing happens.”

Another expert explained that high interest rates are not a deterrent, even for entrepreneurs who are able to get bank loans:

“As to the cost of borrowing money - you just want the money, you don't care what it costs, and ultimately you will pay it back, or you will not. The rates will go down with time, so there's absolutely no focus on that for the entrepreneur. That's not even a thought in their process, or whether they're going to be successful or not, because it really doesn't have any bearing on them.”

When asked where they thought the public misperceptions around this came from, one participant suggested that the public may be projecting their own concerns about taxes, interest rates, and inflation onto the entrepreneur:

“I could see where the consumer would feel that because it does impact their life on a daily basis. And I think just by definition, they're carrying that forward to ‘well, that's why nobody's starting a business. I couldn't afford to do it, look at the impact it's having on me.’”

“I wonder if they were just translating what they're hearing about the macro-economic environment...They might be just correlating that talk track to entrepreneurship.”



7. REPORTING AND DATA DISSEMINATION

7.1 EPOP WEBSITE

In October 2022, NORC launched the [EPOP website](#) to share information about the national EPOP Survey. This site offers resources useful to researchers, survey participants, community advocates, business leaders, and others interested in entrepreneurship. Specific content includes announcements, an interactive data dashboard, access to public use data, and links to presentations and reports.

An announcement about the EPOP-IN Survey is featured on the [EPOP website](#).

7.2 REPORTS

As part of the release of the EPOP-IN Survey, three reports have provided results from statistical and qualitative analyses of the project data. The reports will be released and hosted on the [EPOP-IN project web page on the NORC website](#). Both the [EPOP website](#) and the [CICP website](#) include links to these reports on the EPOP-IN project page as well.

7.2.1 Summary Survey Findings Report

NORC has released a Summary Survey Findings Report that reflects the findings from the EPOP-IN Survey. This extensive report includes an abbreviated methods section, an overview of entrepreneurial activities by key demographic groups, descriptive results on current business owners and freelancers (e.g., years in business, annual revenue), and results from the main topics of the EPOP-IN, including steps taken toward entrepreneurship, financing sources and amounts, and reasons why non-entrepreneurs do not plan to pursue entrepreneurship. When relevant, results were examined by race and industry subgroups. Additionally, the Summary Survey Findings Report includes an appendix with the results of survey questions for the overall population and by three subgroups: entrepreneurship category, region, and racial group.

7.2.2 Qualitative Research Findings Report

NORC also has released a Qualitative Research Findings Report that provides the full analysis of the coded data from the focus groups and in-depth stakeholder interviews. The report includes key findings, a description of methodology, and findings on main topics that arose through qualitative analysis. When relevant, the report includes quotes from qualitative participants to illustrate findings and results from the EPOP-IN Survey to provide context to results.

7.2.3 Research Release Brief

To accompany the public use data, NORC has released a Research Release Brief focused on the most salient quantitative findings. In addition to an abbreviated description of methodology and overview of entrepreneurial activities across demographic characteristics, the release brief



provides an overview of findings on the challenges faced by entrepreneurs and the reasons that entrepreneurs withdraw from business ownership and entrepreneurship planning.

7.3 DATA FILES

EPOP-IN Survey data has been provided to CICP as a public use file (PUF). There are no restrictions on how the PUF can be used. The PUF has been fully anonymized, meaning the risk of re-identification of a survey respondent is negligible. To that point, the PUF has had some variables recoded to reduce detail, and other variables have been removed entirely. Also, the PUF has undergone local suppression wherein certain values for certain records have been removed for purposes of data protection. (A full description of the recoded variables appears in Section 5 “Survey Data Processing and Editing” of the EPOP-IN Methodology Report.)

7.4 CITATION

When reporting on the EPOP-IN Survey data or referencing the reports, researchers should use this citation format:

Public Use File (PUF):	“Entrepreneurship in the Population Survey: Indiana – Public Use Data File: 2022” NORC at the University of Chicago. April 2023.
Summary Survey Findings Report:	“Entrepreneurship in the Population Survey: Indiana – Summary Survey Findings Report” NORC at the University of Chicago. April 2023.
Qualitative Research Findings Report:	“Entrepreneurship in the Population Survey: Indiana – Qualitative Research Findings Report” NORC at the University of Chicago. April 2023.
Research Release Brief:	“Entrepreneurship in the Population Survey: Indiana – Research Release Brief” NORC at the University of Chicago. April 2023.
Methodology Report:	“Entrepreneurship in the Population Survey: Indiana - Methodology Report” NORC at the University of Chicago. April 2023.



APPENDICES

APPENDIX A: FOCUS GROUP INTERVIEW GUIDE

Pre-Interview Protocol

Interviewers will enter the Zoom conference 5 minutes before the scheduled start time.

Once respondent arrives, confirm all technology is working.

- a. Can respondents hear and see all of us?
- b. Can we hear and see respondent?
- c. Are there any spotty connection issues?
- d. Remind respondents to use their first name for their Zoom name.**
- e. If any major technology issues, send respondent dial-in information
- f. Ask respondents to mute themselves and only unmute when they want to say something. Spend a few minutes explaining how to mute and unmute yourself.

Objectives

To further understand the perspectives, impediments, and motivations of Indiana citizens who are disinclined or uninterested in owning a business.

Moderator Guide

Welcome (5 minutes)

The welcome portion of the interviews will introduce the moderator, provide an overview of the topic and goals of the focus group, and establish ground rules for discussion.

Hello, my name is [NAME], and I am here with [NAMES]. Thank you very much for your time today. We work with NORC at the University of Chicago, a nonprofit research group. NORC is working with the Central Indiana Corporate Partnership to better understand the experiences of business owners in Indiana.

Topic Overview

Before we get started, I am going to run through a quick introduction of what we will be doing today and what to expect.

The purpose of today is to evaluate Indiana residents' perspectives on owning a business to try to find ways to promote entrepreneurial activity.

You were selected for this focus group because on a recent survey that we administered with the Central Indiana Corporate Partnership, you indicated that at one point you considered starting a business but then decided to wait or changed your mind. We are interested in learning more about your experiences and decisions regarding whether to pursue business ownership. Our hope is to better understand your perspective about starting and maintaining a business in Indiana. We'll be talking about the challenges



you've faced, lessons you learned, and ways to support others who might want to start their own business.

Ground Rules

For today's focus group, we would like you to know that:

- There are no wrong answers, and we would like to hear from everyone. All of your remarks, positive or negative, are important and should be heard. On that note, we ask that you try not to interrupt your fellow participants.
- As much as we want to hear what you have to say, it is completely okay for you to decide not to answer a question—for any reason.
- Your participation is voluntary, and you can leave at any time.

What you say here today will be kept confidential. None of the comments made today will be attributed to any individual, and none of you will be identified by name.

- After this meeting, please keep everything someone else has said private.
- We are using your first names only today to protect privacy.
- We won't include any names or anything that identifies you in any report we write. Our report will be a general summary.

We do have a member of our team taking notes so we can write our report. We would also like to record our discussion today to ensure that we do not lose any comments.

- **These notes and recordings will only be used by our project staff and will not be shared with anyone else. The recording will be destroyed once we have prepared our report. Again, we will not include anyone's names in our report.**

Please raise your hand to let us know you agree to participate in this study.

Please raise your hand to let us know you agree to be recorded.

(PAUSE)

(RECORD if no objections)

- Quick reminder before we start, to make sure that we can hear what everyone has to say, we ask that you please try to speak one at a time and refrain from having side conversations or from interrupting one another.

We expect that this focus group will take approximately 90 minutes. We'll do our best to stick to this schedule.

- In order to get to all of our questions, we may have to cut some discussions short



- You all received a project information sheet via email with some additional information on this study. It also includes contact information for our project director if you have any questions after we finish our discussion today as well as contact information for the NORC Institutional Review Board Manager, if you have any questions about your rights as a research participant.

Do you have any questions before we begin?

Participant introductions (5 minutes)

Let's start by learning more about each other. Let's get to know each other by sharing your first name and what part of Indiana you live in.

Introductory questions

As mentioned, you were chosen for this group because at one point you considered starting your own business but ultimately did not. We would like to know a little about your business idea, what steps you took (if any) to start the business, and why you ultimately decided to not pursue business ownership.

Transition questions

What was the biggest motivating factor that made you want to start your own business?

Key questions

When applicable, probes will prompt discussion on areas of particular focus. We anticipate that these areas may include business ownership (including financial security), business operations, customer reach (advertising- needing to pay for advertising- or not knowing how to identify a customer base), business support (such as finding an accountant, lawyer, or others needed to help the business run) and the economy.

Support networks

When you were considering starting your business, did you go to anyone for advice or support? Business planners often rely on support systems such as family, friends, co-workers, online forums, community groups for entrepreneurs.

- a. In what ways were these supports helpful?
- b. In what ways could these supports have been more helpful?
- c. Have you ever received advice or support from local organizations or programs aimed at supporting business owners?
- d. Was there ever a time when you would have liked to have gotten this type of support but were unable to find it?
- e. Was a lack of support networks a driving factor in your decision to not to open your business?

Business planning

Now, we'd like to talk about some of the steps you took towards getting your business off the ground. When you were thinking about starting your own business, how long would you say you were in the business planning phase? In other words, how much time between when you had the idea for a business, and when you ultimately decided not to pursue the idea?



- a. When you were in the business planning phase, what kinds of steps did you take towards starting your business?
- b. In terms of the time these steps took for you, would you say that they've took more or less time than you expected? Or were they about what you expected?
- c. Were there any steps that you knew you needed to take to start the business, but put off taking? What made you delay taking this step?

Starting a business often requires steps such as working with city officials to obtain proper licenses, hiring a lawyer, tax planning, or applying for copyrights or trademarks. When you were considering starting your business, did you take any of these types of steps?

- a. How easy or difficult was it to complete these steps? OR if you didn't get to these steps, how easy or difficult would you anticipate these steps to be?
- b. Were there any steps that you found or anticipated would be particularly challenging?
- c. What would have made it easier to navigate these types of steps?

Finances

Now we'd like to discuss the business financing side of running a business. Some examples of ways people finance their businesses are self-financing through savings, a personal loan from friends and family, and applying for funding through a bank or grant program. What types of financing options did you pursue, if any, when you were considering starting a business?

- a. Did you have any concerns about being able to acquire the funds needed to get your business up and running?

Sometimes grants are available to new business owners. These can come from federal or local governments, non-profits, and even private companies. Have you ever applied to any kind of grant for new business owners?

- a. What steps, if any, did you take towards finding these types of grants?
- b. Overall, how knowledgeable would you say you are on these types of funding sources?
- c. What would make it easier to learn about and apply for different funding sources?

(if not addressed earlier) Were issues related to business financing a factor in your decision not to pursue your business idea?

Big picture

Now that we've talked about support networks, business planning, and business finances, we'd like to talk more broadly about your experiences as a business planner and your opinions and advice for those who are planning to start their own business.

First, how has your perspective on business ownership changed between when you first decided you wanted to start a business and now?

If you could do it over again, is there anything you would have done differently when you were thinking about starting a business?

*Broadly speaking, what programs and supports were most helpful (or would have been most helpful) in establishing your business?



*What was the greatest challenge that you have faced in planning your business? Do you think others who are pursuing business ownership are facing the same challenge?

*What would you say is the single biggest barrier or drawback to business ownership that kept you from starting your business?

What do you think is the most important thing a person can do to set themselves up for success as a business owner?

Ending questions (15 minutes)

*When understanding your decision not to start a business, do you think there is anything that we've missed and should talk about?

*We have discussed several issues that business owners are facing today in Indiana. Of all the things we discussed, what to you is the most important?

*Suppose you had one minute to talk to Indiana lawmakers about ways to make it easier for Indiana residents to start businesses. What would you say?

*We've talked about how some of the greatest challenges faced by entrepreneurs is A, B, and C. Is this an adequate summary?

Is there anything we didn't ask you about that you think we should have that would help us get a full picture of the entrepreneurial experience?



APPENDIX B: STAKEHOLDER INTERVIEW GUIDE

Entrepreneurship in the Population: Indiana Stakeholder Interview Guide

Pre-Interview Protocol

Interviewer and notetaker will enter the Zoom conference at least 5 minutes before the scheduled start time.

Once the respondent arrives, the interviewer will confirm all technology is working.

Objectives

1. *Provide more context to the survey and focus group findings*
2. *Identify barriers to entrepreneurship not previously covered, as well as potential solutions to those barriers*

I. Welcome & Informed Consent [5 minutes]

Interviewer will read the following consent script prior to the start of each interview:

Hello, my name is [NAME], and I am here with [NAMES]. Thank you very much for your time today. We work with NORC at the University of Chicago, a nonprofit research group. NORC is working with the Central Indiana Corporate Partnership (CICP) to better understand the perspectives, impediments, and motivations of Indiana citizens regarding entrepreneurship.

This project began with a survey of Indiana citizens to understand the scope of entrepreneurial activity in the state. Survey respondents reported on their successes, challenges, business operations, financial support, and other details. Respondents included current, former, and prospective business owners, current and former freelancers, withdrawn entrepreneurs, gig workers, and members of the general population not engaged in any entrepreneurial activity. We also conducted focus groups with entrepreneurs and with members of the general population.

Now, we are conducting interviews with experts to reflect on our preliminary findings from that research. CICP recommended you as someone who could provide a valuable perspective.

This interview will take no more than 60 minutes of your time. Your participation in this study is voluntary. If you are unable to answer a question, you may skip it or even stop the interview at any time; there will be no repercussions for this.

Your responses will be kept confidential and anonymous. The information you provide will be used in summary form only and will not identify you as a participant of this interview.



If you have any questions, you may ask them now or later, even after the interview has started.
Do you have any questions for me now? [Answer questions]

You received a project information sheet via email with additional information on this study. It also includes contact information for our project director if you have any questions after we finish our discussion today as well as contact information for the NORC Institutional Review Board Manager, if you have any questions about your rights as a research participant.

Do you agree to participate in this interview?

Yes No [End interview]

[NAME] will be taking notes today. We would also like to record our discussion today to ensure that we do not lose any comments. These notes and recordings will only be used by our project staff and will not be shared with anyone else. The recording will be destroyed once we have prepared our report. Again, we will not include anyone's names in our report.

Yes No [Do not record; take notes only]

I will now start the recording and will ask you one more time if you agree to participate so that your consent is recorded. [Start recording to get verbal consent]

Do you agree to participate in this interview?

Yes No

II. Introduction [3 minutes]

We would like to start by learning a little more about you.

1. Please tell me a bit about you and your background in entrepreneurship.

III. Support Networks [15 minutes]

Now I'd like to move us into talking about our preliminary findings. The first topic is support networks. During our focus groups, we asked entrepreneurs about sources of support when they were starting their businesses.

A. Importance of Other Entrepreneurs & Mentors

Participants told us that other entrepreneurs working in the same field were their top source of support when starting a business – more than family, coworkers, entrepreneurship organizations, classes/workshops, etc.

2. What are your reactions to this finding? Is it surprising to you? Why/why not?
3. What challenges do you think aspiring entrepreneurs face in connecting with others in their field?
4. What could CICP or other organizations do to help promote this type of networking?



Focus group participants expressed a desire for mentors and mentorship opportunities.

5. Are you aware of formal mentorship programs for entrepreneurs in Indiana? [IF YES:]
Please describe those programs.
 - a. Are you aware of mentorship programs for Black entrepreneurs or people of color? Women or gender minorities? Please describe those programs.
 - b. Why do you think entrepreneurs may not be aware of existing mentorship opportunities?
6. How can mentorship benefit aspiring entrepreneurs? Please share examples.

B. Classes

Focus group participants talked about the need for classes focused on the fundamentals of starting a business.

7. Are you aware of classes on the fundamentals of starting a business?
[IF YES:]
 - a. Please describe the fundamentals classes with which you are familiar. [Probe if not mentioned: who offers the class, assessment of quality]
 - b. Why do you think entrepreneurs may not be aware of existing classes?
8. To what extent do you think completing a class in the fundamentals of starting a business translates to entrepreneurial activity? Please share examples.
9. If you were asked to design the curriculum for a class on the fundamentals of starting a business, what topics would be most important to include?

IV. Barriers [20 minutes]

Now I'd like to switch gears and talk about some barriers to entrepreneurship.

10. What do you see as the most significant barriers faced by aspiring entrepreneurs?
 - a. Are the barriers for aspiring Black entrepreneurs or people of color different? Women or gender minorities? Please explain.

A. Finances

One of the biggest barriers we found was obtaining startup funding. Our data shows that self-financing is the main kind of startup funding used by entrepreneurs in Indiana; very few reported using grants or bank loans.

11. What do you think explains the low use of grants and bank loans by entrepreneurs?
12. What do you see as the main challenges entrepreneurs face in accessing grants and loans?
[Probe if not mentioned: complex criteria, not getting feedback on denied applications, concerns about scams/fraud]
 - a. What could most help entrepreneurs access grants and loans?

Our focus group participants said they needed a “centralized” database of dependable third-party funding sources.

13. Are you aware of any centralized databases like this?
[IF YES:]
 - a. Please describe those databases. [Probe if not mentioned: who manages them, assessment of quality]



- b. Why do you think entrepreneurs may not be aware of these databases?

B. Health Care

Now I'd like to ask about another potential barrier – health care. In our focus groups with withdrawn entrepreneurs, they named the high cost of health care as a top reason for stopping their business. However, in our survey, health insurance was not a top issue.

14. What do you make of these conflicting findings?
15. To what extent do you think health care is a major barrier to entrepreneurship in Indiana? Please explain.

Public Perceptions of Entrepreneurship [15 minutes]

Our last section focuses on public perspectives of entrepreneurship. In our focus groups, we found several areas where perceptions varied from the realities reported by business owners.

16. In your opinion, what are the biggest things that the public misunderstands about entrepreneurship? What do popular portrayals of entrepreneurs most often wrong?
17. We found that the public thinks a person must have a brand-new idea to start a business, but entrepreneurs we talked to rarely started with a brand-new idea. Instead, they pursued business ownership so they could be their own bosses, make more money, and monetize their hobbies and passions. Why do you think the public sees a brand-new idea as a prerequisite for entrepreneurship?
 - a. How do you think this perception impacts entrepreneurship in Indiana?
 - b. How can we challenge this perception? Who would Hoosiers listen to on this issue?
18. The public thinks high interest rates and taxes are the primary financial barriers for entrepreneurship, yet none of the entrepreneurs we spoke with talked about interest rates or taxes as a financial barrier, rather they are hindered by complicated criteria and the lack of feedback from financial institutions when denied loans. What do you think is behind the public's perception? Where does it come from?
 - a. How do you think this perception impacts entrepreneurship in Indiana?
 - b. How can we challenge this perception? Who would Hoosiers listen to on this issue?

V. Conclusion [2 minutes]

19. Is there anything I didn't ask you about that you think I should have?
20. Please feel free to share any other comments you might have on the topics we discussed today.

This concludes today's interview. Thank you for your participation.



APPENDIX C: FOCUS GROUP CODE FRAME

1. Introductory Topics

Why Start	Reason for starting a business (may come from FGDs with current/nascent/withdrawn/former/Black entrepreneurs) <i>Examples:</i> <ul style="list-style-type: none">• <i>Out of necessity (can't get another job)</i>• <i>Need for a service/product</i>• <i>Give back to community</i>• <i>Want to work for self/flexibility</i>
Why Stop	Reason for stopping business ownership (may come from FGD with former/withdrawn entrepreneurs) <i>Examples:</i> <ul style="list-style-type: none">• <i>Caregiving/home demands</i>• <i>Need for health insurance or other employer benefit</i>• <i>Major life event (e.g., major health issue, death of family member)</i>• <i>Business idea or location (can be online) is oversaturated</i>• <i>Business ownership is too risky</i>• <i>Business ownership is too stressful</i>
Why Uninterested	Reason for not being interested in business ownership (may come from FGD with non-entrepreneurs) <i>Examples:</i> <ul style="list-style-type: none">• <i>Caregiving/home demands</i>• <i>Need for health insurance or other employer benefit</i>• <i>Major life event (e.g., major health issue, death of family member)</i>• <i>Business idea or location (can be online) is oversaturated</i>• <i>Business ownership is too risky</i>• <i>Business ownership is too stressful</i>

2. Support Systems

Support	Use when participant mentions going to a person, organization, event, or website for support in starting a business. <u>Only code information here if it does not apply to the more specific codes below.</u>
• Support In Field	Received support from professional network, including coworkers, course instructors, entrepreneurs in R's field
• Personal Support	Received support from family and/or friends
• Organizational Support	Received support from organizations or program aimed at helping entrepreneurs, can include resources from gov, non-profits, websites
• Taking Classes	Received support in the form of a class or seminar
• Business Operations Support	Received support in the form of legal, accounting, or other types of admin help



Negative Support	Note when actor/organization/activity that <u>did not</u> provide support, opposed, or created obstacles to respondent's entrepreneurship
Support Needed	Note support that participant reported wanting/needing; note actor/organization/activity that respondents wanted support from

3. Money

Startup Money Source	Note types of startup financing pursued/used by respondents (self-financing, loans, govt grants, non-govt grants, etc.)
Money Challenges	Use this code for general challenges related to having enough money for business startup or continuation. <u>Only code information here if it does not apply to the more specific codes below</u>
• Startup Costs	General fees for admin or startup costs for business
• Finding Grants	Challenges relevant grants (includes existence of relevant grants, ability to locate them, sift through information)
• Grant Criteria	Challenges related to meeting the criteria needed to receive a grant. Examples include tax returns, credit scores, amount of funding, time in business
• Loans	Challenges related to getting a loan

4. Challenges to pursuing, starting, or continuing business ownership

Information & Research	Knowing where to look, Googling and being confused, market research
Legal	Finding legal support/trademarking process/paying legal fees
Other Administrative	Finding accounting support/paying fees or administrative tasks
Time	Challenges related to having time or energy for the business because of working a job, family/home responsibilities
Working with Government	Challenges working with government (e.g., licensing, etc.)
Other Challenge	Any other challenge not captured elsewhere
Advice	Advice for other entrepreneurs