



C12: CT Small Business Energy Advantage Program
Low-Income and Limited English
Business Owner Study

Final Report

March 27, 2014

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Preface

The Connecticut (CT) Energy Efficiency Board would like to increase the participation of small businesses that are owned by low-income and limited English speaking proprietors in the Small Business Energy Advantage Program (SBEA). While activities are made within the SBEA program to reach out to low-income and limited English speaking businesses, this study is not an evaluation of those efforts. Instead, this study is a market research effort to gather information that SBEA program planners may use or test to determine whether participation from this population can be increased.

This research is a unique study in that it examines low-income and limited English speaking business owners for participation in a commercial and industrial (C&I) energy efficiency program. Seeking this type of population for a C&I program has not been seen in other jurisdictions and little information is available on the population of these types of small business owners. There is no information source on small businesses that fall into these categories.

The purpose of the research documented in this report was to provide information on the potential population of businesses that meet these criteria, assess whether community organizations can provide valuable guidance and support for obtaining program participation, and to provide a confidential document that furnishes information on organizations that are willing to facilitate participation. This information includes the role the organizations may be willing to play to facilitate participation, and the compensation that they would require to provide this assistance. The goal was to provide the utilities with organizational information that may help them to increase participation by this group of customers.

Executive Summary

The Small Business Energy Advantage (SBEA) Program provides assistance to small business owners to help them improve the energy efficiency of their businesses. The Connecticut (CT) Energy Efficiency Board would like to increase the participation of small businesses that are owned by low-income and limited English speaking proprietors in the SBEA Program. In-depth telephone interviews were conducted with Connecticut organizations that serve low-income small business owners or limited English speaking small business owners to characterize the targeted businesses and to assess whether and how the organizations could facilitate participation by these businesses. This report presents the findings from this research.

Small Business Energy Advantage (SBEA) Program

The goal of the SBEA Program is to provide incentives to small business owners to improve the energy efficiency of their buildings. The program offers a free energy audit with an SBEA-authorized contractor. After Connecticut Light and Power (CL&P) or United Illuminating (UI) approves the audit, the contractor submits a detailed proposal to the business including energy-efficiency measures, the costs of these measures, estimated energy savings, program incentives, and financing options. Incentives offered by the SBEA Program offset a portion of the cost of eligible measures.

Research Overview

The Connecticut (CT) Energy Efficiency Board would like to increase the participation of small businesses that are owned by low-income and limited English speaking proprietors in the SBEA Program. Many utilities, states and the federal government conduct programs that target low-income and limited English speaking residential customers. Much fewer have efforts to target business owners within this population. This is a unique research effort, not seen in other jurisdictions, to gather information that program planners may use to determine whether participation from this population can be increased at reasonable costs. The CT utilities have made efforts to reach out to these businesses and educate them about energy efficiency opportunities. However, little information is available on the population of these small business owners who are eligible to participate in the program. There is no information source on small businesses that fall into these categories.

The purpose of the research documented in this report was to provide information on the potential population of businesses that meet these criteria, assess whether community organizations can provide valuable guidance and support for obtaining program participation, and to provide a confidential document that furnishes information on organizations that are willing to facilitate participation. The information also includes the role the organizations may be willing to take to facilitate participation and the compensation that they would require to provide this assistance. The goal is to provide the utilities with contact information for organizations that may help the utilities increase participation by this group of customers.

A separate confidential document provides detailed information on organizations willing to provide assistance, the types of information they are willing to provide, and whether compensation would be required for this work.

The SBEA program already includes an effort to reach low-income and limited English businesses. This report is not a process evaluation of these existing efforts. The goal of this market research was to provide market data that may enable greater participation by these targeted businesses.

The research consisted of two phases of in-depth telephone interviews conducted with organizations that potentially had knowledge of low-income or limited English small business owners.

- ***Phase I Research Pilot*** – In-depth telephone interviews were conducted in June and July 2013 with seven (7) organizations that had knowledge of low-income or limited English speaking small business owners in CT. The goal of this research was to develop an understanding of the size of this market sector and to determine whether these business owners may be interested in the SBEA Program. These interviews also sought to identify the best methods of contacting the targeted business owners.
- ***Phase II Research*** – The first phase of the research affirmed that there was an opportunity to reach low-income and limited English customers in the SBEA, and provided support for the use of trusted contacts to provide program information to these customers. Therefore, the second round of research aimed to collect additional information from a much broader group of organizations. Interviews were conducted in October and November 2013 with 28 organizations that had knowledge of low-income or limited English small business owners. The goal of these interviews was to develop a deeper understanding of this market sector and to determine whether and how the organizations that work with these small business owners would be willing to facilitate participation from these targeted organizations into the SBEA Program.

Phase I Research Findings

Key findings from the initial seven interviews were as follows.

- Respondents from all organizations felt that low-income and limited English business owners would potentially be interested in the SBEA Program.
- All of the respondents interviewed felt that there would be barriers to participation by these small business owners. The following barriers were identified.
 - Language/cultural barriers
 - Cost
 - Lack of trust
 - Lack of knowledge about the program

- The organizations reported that face-to-face interaction and contact through trusted local organizations would be the most effective methods of reaching these business owners.

Phase II Research Findings

The key findings from the additional in-depth interviews with contacts at 28 organizations were as follows.

- *Low-Income Small Business Owners* – Twenty-four of the organizations interviewed work with low-income small business owners. Key findings with respect to these business owners are summarized below.
 - The organizations indicated that retail businesses, restaurants, food stores, construction/contractor businesses, and small manufacturing businesses were the most common types of small businesses owned by low-income individuals.
 - All of the contacts who provided an estimate of the average number of employees of low-income small business owners indicated that the average is ten or fewer.
 - Most respondents estimated that a quarter or fewer of low-income small business proprietors own their business locations.
 - Most organizations interviewed felt that these small business owners would be interested in the program.
 - Cost, lack of knowledge, time, and trust were identified as primary barriers to program participation for this market sector.
- *Limited English Small Business Owners* – Twenty-one of the organizations interviewed work with limited English small business owners. Key findings with respect to these business owners are summarized below.
 - Spanish was identified by all but one organization as a primary language spoken by limited English speaking small business owners. Chinese, French, Portuguese, and Asian languages were also identified as common among these business owners.
 - Restaurants, retail stores, food stores, and salons were identified as common types of small businesses owned by limited English speaking individuals.
 - All of the contacts who provided an estimate of the average number of employees indicated that the average is ten or fewer.
 - Most organizations reported that a quarter or less of limited English speaking small business proprietors own their business locations.
 - Most organizations believed that all or most of these business owners would be eligible and interested in the program.

- Language, cost, and lack of knowledge, time, and trust, were identified as the primary barriers to program participation for this market sector.
- *Program Facilitation* – The second round of interviews also explored whether the responding organizations might be willing to facilitate program participation by low-income and limited English speaking small business owners. Key findings from this research were as follows.
 - Twenty-one of the 28 organizations interviewed indicated that they would be willing to facilitate program participation.
 - Most of those who were willing to assist indicated that they could distribute program information.
 - Eleven indicated that they might be willing to provide business owner contact information to the utilities.
 - Eleven contacts indicated that they might be willing to work through the process with business owners.
 - Nine organizations reported that they would require some type of compensation for facilitating participation, and seven indicated that they would not need to be compensated for facilitating program participation.

I. Introduction

The Small Business Energy Advantage (SBEA) Program provides assistance to small business owners to help them improve the energy efficiency of their businesses. The Connecticut (CT) Energy Efficiency Board would like to increase the participation of small businesses that are owned by low-income and limited English speaking proprietors. Many utilities, states and the federal government conduct programs that target low-income and limited English speaking residential customers. Much fewer have efforts to target business owners within this population. This is a unique research effort, not seen in other jurisdictions, to gather information that program planners could use to test whether participation from this population can be increased at reasonable costs. This report presents findings from in-depth telephone interviews conducted with Connecticut organizations that serve low-income small business owners or limited English small business owners. The purpose of the research was to characterize these targeted businesses and determine whether the organizations would be willing to facilitate the participation of these businesses in the SBEA Program. A separate confidential document provides detailed information on organizations willing to provide assistance, the types of information they are willing to provide, and whether compensation would be required for this work. The supplemental document provides the primary value from this research. It provides concrete information that could be directly used to negotiate with a variety of organization across CT to pilot additional outreach and facilitation towards increased participation in the SBEA program by businesses with owners that are low-income or speaking only limited English.

A. Program Overview

The Small Business Energy Advantage (SBEA) Program, offered by Connecticut Light and Power and United Illuminating, is designed to provide incentives to small business owners to improve the energy efficiency of their buildings. This program offers a free energy audit to determine the best ways to increase efficiency, as well as incentives and financing for energy efficiency measures. Typical energy-efficiency measures installed through the program include high-performance fluorescent lighting, HVAC equipment upgrades, and evaporator fan controls.

B. Research Overview

The Energy Efficiency Board (EEB) would like to increase participation of low-income and limited English speaking business owners in the SBEA Program. The purpose of the research summarized in this report was to obtain information about this market segment from organizations that work with these types of small business owners.

The CT utilities have made efforts to reach out to these businesses and educate them about energy efficiency opportunities. However, little information is available on the population of these small business owners. There is no information source on small businesses that fall into these categories.

The first phase of research consisted of in-depth telephone interviews with stakeholders in the community who potentially had knowledge of and interactions with this market segment. The goals of these interviews were to determine if there is a significant population of low- or limited-income or limited English speaking small business owners in Connecticut, whether these business owners may potentially be interested in participating in an energy saving program, and to identify the best methods for contacting these business owners to conduct additional research.

The first phase of the research affirmed that there was an opportunity to increase businesses in the SBEA that have low-income or limited English proprietors. The initial research phase indicated that organizations that could provide trusted contacts to provide program information might be worthwhile and provided a broader array of contacts for the larger second phase of the research.

The second round of research aimed to collect additional information from a broader group of organizations with geographic coverage throughout Connecticut. These in-depth telephone interviews with a larger number of organizations focused on obtaining additional information about this market segment, and on determining whether the organizations who work with this market segment would be willing to facilitate participation in the program. This second round of interviews collected more detailed and quantitative information about the small business owners that organizations work with. These interviews also assessed whether and at what level each organization might be willing to facilitate participation in the SBEA Program.

C. Organization Information

A separate, confidential document supplements this report. It provides exact information on organizations, and their contacts, that reported they may be willing to facilitate participation by low-income and limited English speaking small business owners in the CT SBEA program.

There were 21 organizations who stated that they may be willing to facilitate program participation in some way. The separate document provides the following information on these organizations.

- Organization Name
- City
- Type of businesses worked with (low-income, limited English, or both)
- Willingness to provide support
 - List of contacts for potentially eligible businesses
 - Distribute information on the SBEA to their contacts
 - Work through the SBEA process with their interested contacts

- Compensation required (Categories included whether compensation was required, not required, may be required, or costs would need to be covered.)
- Contact name, title, telephone, and email address

II. Phase I Research Pilot

This section describes the initial phase of research consisting of in-depth telephone interviews with seven organizations. These interviews collected information on low-income and limited English speaking small business owners who may be interested in the SBEA Program.

A. Research Overview

The initial research consisted of interviews with organizations that potentially had knowledge of and interactions with low-income or limited English speaking small business owners. Interviews were conducted with seven organizations in June and July 2013. These organizations were recommended by a member of the CT EEB as organizations that would potentially be knowledgeable about low income or limited English business owners.

The goals of these interviews were to determine if this market segment has a significant presence in Connecticut, whether these business owners may be interested in participating in an energy saving program, and to identify the best methods for contacting these business owners.

Five organizations were initially identified as likely to have substantial interactions with low-income or limited English speaking business owners in Connecticut. Interviews were completed with three of these five organizations, and these contacts provided information on other organizations that may have information pertinent to the study. Several other organizations were contacted based on these recommendations, and four of those organizations were successfully contacted for in-depth interviews. The organizations interviewed during this first phase of research included the following.

- ***Non-Profits***
 - Operation Fuel
 - International Institute of Connecticut
 - Family Services Working (FSW)
- ***Chambers of Commerce***
 - City of Bridgeport Hispanic Chamber of Commerce
 - Middlesex County Chamber of Commerce
- ***Local or State Government***
 - Connecticut Office of Consumer Counsel
 - City of Bridgeport Small and Minority Business Resource Office

B. Research Findings

The first phase of research provided anecdotal information about low-income and limited English speaking small business owners through in-depth telephone interviews with seven organizations in Connecticut. This section details the findings from these interviews.

The organizations reported that they work with a variety of types of small business owners. One organization contact reported that many business owners they interact with have limited English abilities and that many own very small start-up businesses that have limited inventories. Another contact indicated that her organization works with refugees and immigrants from 89 countries. A third contact explained that his organization works with low-income and minority businesses, which are common in urban areas but less common in the suburbs.

When asked about potential interest in energy saving programs, contacts from all interviewed organizations responded that there would be interest among low-income and limited English speaking business owners. However some contacts qualified their responses.

- One organization contact stated that many immigrants may be hesitant to participate because they are wary of public assistance and government involvement.
- Contacts at two organizations suggested that many low-income and limited English speaking business owners may not be eligible for the SBEA Program because they operate their businesses out of their homes.

The informants had various levels of knowledge and experience with business owners' participation in energy saving programs. The experiences that contacts brought to the conversations are summarized by Table II-1. One contact who had worked directly with business owners to increase participation in energy saving programs was classified as "Very Involved." Two other contacts had coordinated with utilities and knew of businesses' participation in programs are listed as "Somewhat Involved."

Table II-1
Organizations' Involvement in and Knowledge of Energy Saving Programs

Knowledge/Experience Level	Number of Organizations
Very Involved	1
Somewhat Involved	2
Not Involved, but Knowledgeable	1
Neither Involved nor Knowledgeable	3

All of the interviewees felt that there would be barriers to participation by small business owners. Four contacts identified differences in language and culture as significant barriers to participation, and four were concerned that the business owners may not have the capital to invest in energy efficiency improvements. There were other potential barriers mentioned by fewer contacts. For example, one organization that identified lack of trust as a barrier noted that the program would need to overcome the common misconception that the program is selling something. Another organization that identified cost as the main barrier

noted that these businesses tend to operate with little or no savings and may have difficulty obtaining financing. Table II-2 displays the barriers that contacts felt might deter small business owners from participating in the program.

Table II-2
Barriers to Participation in the SBEA Program

Barriers to Participation	Number of Organizations
Language/Cultural Barriers	4
Cost	4
Lack of Trust	3
Lack of Knowledge about Program	2

Each contact had made outreach efforts to low-income or limited English speaking business owners, and while individual outreach efforts varied somewhat, all contacts advocated face-to-face interaction, contact through trusted local organizations, or a combination of these.

- Six contacts emphasized the importance of one-on-one contact in discussing program interest and experiences with business owners.
 - Five of these contacts felt that a local meeting might be an effective way to inform business owners about the program.
 - One contact suggested that personal visits to businesses would be the best way to invite business owners to a meeting.
 - Three contacts advocated following up with business owners in person, with literature, or via email or phone.
 - Another contact suggested that meetings with business owners would be most effective if businesses were grouped by type.
- Two contacts felt that community outreach was the best way to contact low-income and limited English speaking business owners. Another contact also mentioned community outreach as an effective (but not the best) approach. These contacts identified faith-based organizations, schools, and community service providers as reliable organizations for contacting business owners.

C. Summary

Based on the in-depth interviews completed with seven Connecticut organizations that interact with low-income or limited English speaking small business owners, it was concluded that there is a significant population of low-income or limited English speaking small business owners in Connecticut, and there is potential interest among these business owners in energy saving programs. The contacts interviewed felt that there would be

barriers to participation by these business owners, but also believed that most business owners would be interested in saving energy.

While contacting low-income and limited English speaking business owners may require a combination of approaches and follow-up attempts, the contacts interviewed have found that working through community organizations and contacting business owners in person are often successful means of reaching out to this market segment. These interviews suggested that it may be most effective to make initial outreach efforts through community organizations. Based on these findings, additional interview questions were developed with an added goal of determining whether and at what level organizations might be willing to facilitate program participation.

III. Phase II Research

Additional interviews were completed with 28 organizations in October and November 2013. This section summarizes this second phase of research and describes the findings of the more detailed and quantitative interviews completed during this time.

A. *Research Overview*

The second phase of research focused on obtaining more detailed information about low-income and limited English speaking small business owners, and on determining whether and how the organizations who work with this market segment could facilitate participation in the SBEA Program. The questions included in these interviews and summarized in this section were informed by findings from the initial research.

The CT Office of Energy Efficient Businesses provided an initial list of 24 organizations that would potentially be knowledgeable about these types of businesses. Many of these businesses were in Hartford, and one goal of the research was to identify organizations throughout the UI and CL&P service territories. Therefore, additional research was conducted to identify organizations at a variety of locations throughout the state that appeared to be appropriate sources of information for the targeted business owners, and identified 24 more organizations to interview. The interviews included a question about other potential organizations to contact, and an additional 35 organizations were identified based on these recommendations.

Table III-1 shows the total number of organizations identified as potentially knowledgeable about low-income or limited English speaking small business owners during the second phase of research.

**Table III-1
Organizations Identified**

Organizations Identified	Number
Initial Organizations	48
Referred Organizations	35
Total	83

Twenty-eight of the organizations contacted were able to provide information on low-income or limited English speaking small business owners. Twenty-seven organizations were reached, but could not offer any information on low-income or limited English speaking small business owners. One organization completed an interview and provided information on this population segment but did not operate in an area of Connecticut served by CL&P or UI. Consequently, the businesses served by this organization would not be eligible for the SBEA Program. An additional 26 organizations did not respond to contact attempts. Table III-2 summarizes the final interview status for each organization that was

contacted. Only the interviews that provided information about low-income or limited English speaking small business owners in CL&P or UI service territories are included in further analyses.

Table III-2
Organizations' Final Interview Status

Interviews Completed	Number
Had Information on Businesses	28
Had No Information on Businesses	27
Not in CL&P or UI Service Area	1
No Response to Interview Attempts	26
Total	83

Seventeen of the 28 organizations interviewed worked with both low-income and limited English speaking small business owners. Table III-3 shows the number of organizations that reported they work with each type of business owner.

Table III-3
Types of Businesses That Organizations Worked With

Types of Businesses Worked With	Interviews Completed
Low-Income	7
Limited English Speaking	4
Both	17
Total	28

Table III-4 displays a summary of the level of detail offered by the organization contacts. The length of the in-depth interviews, ranging from ten to 40 minutes, depended largely on the level of detail provided by interviewees. Interviews were categorized as not detailed if contacts gave very short answers, could not provide answers for several questions, or could not quantify answers for many questions. Interviews were classified as very detailed when contacts provided in-depth answers for most questions and replied “don’t know” infrequently or never.

Table III-4
**Detail of Information Provided on
Low-Income and Limited English Businesses**

Detail of Information	Number of Organizations
Very Detailed	4
Somewhat Detailed	16
Not Detailed	8
Total	28

Table III-5 classifies the extent of organizations' relationships with low-income or limited English speaking small business owners. These categories were developed based on whether organizations had ongoing relationships or one-time interactions with small business owners as well as on descriptions of organizations' services and interactions with their clients. For example one contact reported that his organization contacts business owners in person and follows a protocol that calls for multiple follow-up visits after the initial contact. This organization was classified as having very developed relationships with business owners. Another organization offers a 16-week training program for small business owners and works with about a quarter of the participants after the course is over. This organization was categorized as having somewhat developed relationships with business owners. Another organization's contact with low-income small business owners consisted of providing one-time energy assistance. This organization was classified as having only minor interactions.

Table III-5
Extent of Organizations' Relationships with
Low-Income and Limited English Business Owners

Extent of Relationships	Number of Organizations
Very Developed	4
Somewhat Developed	14
Minor Interactions	10
Total	28

Table III-6 shows the detail of information volunteered by organizations in comparison to the extent of their relationships with small business owners. All of the organizations classified as having very developed relationships provided information that was either very or somewhat detailed. Eight of the ten organizations categorized as having only minor interactions with business owners provided information that was not detailed.

Table III-6
Detail of Information and Extent of Relationships
With Low-Income and Limited English Business Owners

Detail of Information	Extent of Relationships			Total
	Very Developed	Somewhat Developed	Minor Interactions	
Very Detailed	1	3	0	4
Somewhat Detailed	3	11	2	16
Not Detailed	0	0	8	8
Total	4	14	10	28

The organizations interviewed included local Chambers of Commerce, local governments, and community action agencies. The organizations that fall into each category are as follows.

- ***Chambers of Commerce/Merchants Associations***
 - Greater Norwich Area Chamber of Commerce
 - Mystic Chamber of Commerce
 - Central CT Chambers of Commerce
 - City of Bridgeport Hispanic Chamber of Commerce
 - Middlesex County Chamber of Commerce
 - CT Business and Industrial Association (CBIA)
 - Spanish American Merchants Association (SAMA)
 - Business for Downtown Hartford

- ***Non-Profits***
 - Northeast CT Economic Alliance
 - Waterbury Development Corporation
 - Operation Fuel
 - Family Services Working (FSW)
 - CT Center for Advanced Technologies (CCAT)
 - Western CT SCORE
 - Community Economic Development Fund (CEDF)

- ***City or Local Governments***
 - Town of Windham
 - City of Hartford (Hartford Enterprise Zone)
 - Bridgeport Small & Minority Business Resource Office
 - City of Bristol Development Authority

- ***Neighborhood Organizations***
 - Hartford 2000/Neighborhood Revitalization Zones
 - Asylum Hills Neighborhood Revitalization Zone
 - Farmington Avenue Alliance
 - Upper Albany Main Street (UAMS)

- ***Community Action Agencies***
 - Thames Valley Council for Community Action (TVCCA)
 - Action for Bridgeport Community Development Inc. (ABCD)

- ***Other***
 - Spanish Community of Wallingford (SCOW)
 - Meadows Real Estate Management & Development Co.
 - Research Development Associates LLC (RDA)

Table III-7 summarizes the types of organizations interviewed during the second phase of research. The organizations summarized by the category “Other” include an organization

catering specifically to the local Latino community, a construction affiliate of a community action agency, and a for-profit consulting company engaged with a number of non-profits.

**Table III-7
Organization Types**

Type of Organization	Number Interviewed
Chambers of Commerce/Merchants Associations	8
Non-Profits	7
City or Local Governments	4
Neighborhood Organizations	4
Community Action Agencies	2
Other	3
Total	28

B. Research Findings

This section describes the findings on low-income business owners and limited English business owners.

Low-Income Small Business Owners

Twenty-four of the 28 organizations interviewed worked with low-income small business owners. This section summarizes the information that organization contacts provided about low-income small business owners.

Contacts were asked to estimate how many low-income small business owners their organizations had worked with in the last year. Table III-8 shows the number of low-income small businesses that contacts reported their organization worked with. While some had worked with only a few businesses, two of the organizations reported they had worked with between 51 and 100 and five contacts reported that the organizations had worked with over one hundred small low-income owned businesses. Eleven contacts were unable to estimate the number of businesses worked with in the last year.

**Table III-8
Number of Low-Income Businesses that Organizations Worked with in Last Year**

Number of Businesses	Number of Organizations
0-10	3
11-50	3
51-100	2
>100	5
Don't Know	11

Number of Businesses	Number of Organizations
Total	24

Contacts were also asked to estimate the percentage of low-income small business owners that their organizations have ongoing relationships with. Table III-9 characterizes the majority of interactions with low-income small business owners for the organization contacts interviewed. Twenty-two of the 24 contacts who reported their organizations work with low-income business owners were able to estimate the proportion of their relationships that are ongoing. Sixteen of these 22 contacts reported that their organizations tend to have ongoing relationships.

**Table III-9
Extent of Relationships with Low-Income Business Owners**

Extent of Relationships	Number of Organizations
Majority are Ongoing Relationships	16
Majority are One-Time Interactions	6
Don't Know	2
Total	24

When asked which types of businesses are most common among low-income small business owners, 14 contacts mentioned retail establishments and 12 mentioned restaurants. Table III-10 shows the number of contacts who mentioned each type of business. Several types of business are included in "Other" as they were noted less frequently. Types of businesses summarized by the category "Other" include IT support, professional practices, auto repair, bakeries, delis, dry cleaners, liquor stores, barber shops, and various other businesses in the service industry.

**Table III-10
Common Types of Low-Income Businesses**

Type of Business	Number of Organizations
Retail	14
Restaurant	12
Food Store	7
Construction/Contractors	4
Manufacturers	4
Other	14

All of the contacts who could estimate the average number of people employed by low-income small businesses reported that the average is ten or fewer. Table III-11 shows the average number of employees per low-income small business, including family members, as estimated by the interviewees.

Table III-11
Average Number of Employees at Low-Income Businesses

Number of Employees	Number of Organizations
1-2	5
3-4	4
5-10	3
Range, but less than 10	6
Don't Know	6
Total	24

Sixteen of the 24 contacts who work with low-income small business owners reported that the majority of these business owners operate out of business locations that are not their homes. Table III-12 shows the range of low-income small business owners that organization contacts estimated to have separate business locations.

Table III-12
Percentage of Low-Income Businesses with Separate Business Locations

Percent with Separate Location	Number of Organizations
0-50%	5
51-75%	5
76-100%	11
Don't Know	3
Total	24

When asked to estimate the percentage of low-income small business proprietors who own their properties, 15 contacts were able to provide at least rough estimates. Seven of these 15 contacts reported that all business owners with separate business locations rent these locations. Table III-13 shows the estimated percentages of business proprietors who own their places of business.

Table III-13
Percentage of Low-Income Businesses that Own Their Property

Percent that Own	Number of Organizations
0%	7
1-25%	7
26-50%	1
Don't Know	9
Total	24

Based on a brief description of the SBEA Program, contacts were asked whether they thought low-income small business owners would be eligible to participate. They were subsequently asked what percentage of these business owners they thought would be eligible. While most contacts were unable to estimate a percentage, 14 provided at least rough estimates. All of the contacts who were able to provide estimates thought that at least some of the low-income businesses their organizations work with would be eligible for the program. Table III-14 displays the contacts' characterizations of whether low-income small business owners would be eligible for the SBEA Program.

Table III-14
Proportion of Low-Income Business Owners Eligible for the SBEA Program

Proportion Eligible	Number of Organizations
All	6
Most	4
Some	4
Don't Know	10
Total	24

Contacts were also asked whether they thought low-income small business owners would be interested in the SBEA Program. Seventeen of the 24 contacts from organizations that work with these business owners thought that low-income business owners would be interested in participating. One contact noted that, "Refrigerators are a large part of electric bills for bodegas, and an energy saving estimate would be great for these businesses." Another contact felt that these small business owners may be interested but noted that they might not be able to commit much time because they could not afford to take the time off from work. Table III-15 summarizes contacts' thoughts on whether low-income small business owners would be interested in the program.

Table III-15
Low-Income Business Owners Interested in the SBEA Program

Interested	Number of Organizations
Yes	17
No	0
Maybe	3
Don't Know	4
Total	24

Each contact acknowledged that there are barriers preventing low-income small business owners from participating in the SBEA Program. Nine of the organization contacts mentioned lack of knowledge as a primary barrier to participating, while eight contacts thought that cost to the business owner would be a substantial issue. A contact at one organization stated that, "A lot of business owners are focused just on making ends meet and

making a profit,” and pointed to upfront costs as the largest barrier to participation. Another contact explained that many of these business owners are not very “business savvy,” and that this lack of knowledge and a general fear of the unknown are the primary barriers to participation.¹ Table III-16 shows common barriers mentioned by several organizations. Barriers that are summarized in the “Other” category in Table III-16 include characteristics of the program and characteristics of low-income small business owners. Contacts who cited program characteristics mentioned the need to reduce bureaucracy and the importance of appropriate marketing. A few of the contacts who mentioned characteristics of small business owners noted language barriers as well as a general resistance to change.

Table III-16
Primary Barriers to Low-Income Business Participation in the SBEA Program

Primary Barriers	Number of Organizations
Lack of Knowledge	9
Cost	8
Lack of Time	5
Lack of Trust	4
Other	8

Limited English Small Business Owners

Twenty-one of the twenty-eight organizations interviewed worked with limited English speaking small business owners. This section summarizes the information that organization contacts provided about limited English speaking small business owners.

Table III-17 shows the number of limited English speaking small business owners that organizations worked with in the last year. Eleven of the 13 contacts who estimated a number of small businesses their organizations had worked with gauged that they had worked with 50 or fewer in the last year.

Table III-17
Number of Limited English Businesses that Organizations Worked with in the Last Year

Number Worked With	Number of Organizations
0-10	5
11-20	4
21-50	2
>50	2
Don't Know	8

¹ A lack of business savvy could create a barrier to understanding the benefit-cost payback perspective and the “fear of the unknown” could result in an unwillingness to apply for loans for energy efficiency investments.

Number Worked With	Number of Organizations
Total	21

Contacts whose organizations work with limited English speaking small business owners were also asked to describe the extent of their relationships with these businesses. Contacts were asked what percentages of their relationships are ongoing as opposed to one-time interactions. Table III-18 shows a summary of contacts' estimates. Seventeen of the 21 organizations with knowledge about limited English speaking small business owners were able to estimate the proportion of their relationships that are ongoing.

Table III-18
Extent of Organizations' Relationships with Limited English Business Owners

Extent of Relationships	Number of Organizations
Majority are Ongoing Relationships	12
Majority are One-Time Interactions	5
Don't Know	4
Total	21

Contacts at organizations that work with both low-income and limited English speaking small business owners were asked to estimate the proportion of overlap between low-income and limited English speaking small business owners. Table III-19 displays a characterization of the overlap as estimated by contacts from these organizations. Six of the 13 who furnished estimates judged that all or almost all of the limited English speaking business owners their organizations work with are also low-income.

Table III-19
Limited English Business Owners who are Low-Income

Proportion of Overlap	Number of Organizations
All or Almost All	6
Most	4
Some	3
Don't Know	4
Total	17

When asked what languages are most common among limited English speaking small business owners, 20 out of 21 organizations mentioned Spanish. Table III-20 shows the most common languages mentioned by organization contacts. Languages included in the "Other" category were mentioned less frequently and include Korean, Burmese, Polish, Japanese, Turkish and various Indian dialects.

Table III-20
Primary Languages Spoken by Limited English Business Owners

Primary Languages	Number of Organizations
Spanish	20
Chinese	5
French	3
Portuguese	3
Asian (Non-Specific)	3
Other	5

When asked what types of businesses were most common among limited English speaking small business owners, 15 out of 21 organization contacts mentioned restaurants and 12 mentioned retail. Table III-21 shows the most frequent responses to this question. Types of businesses summarized by “Other” were mentioned only once or twice and include car detailing, IT consulting, barber shops, bus companies, butcher shops, liquor stores, convenience stores, nonprofits, shelters, day-cares, and professional practices.

Table III-21
Common Types of Limited English Businesses

Type of Business	Number of Organizations
Restaurant	15
Retail	12
Food Store	4
Salon	4
Other	11

Contacts were also asked about the average number of employees, including family members, at these small businesses. All of the contacts who could estimate the average number of people employed by limited English speaking small business owners reported that the average is ten or fewer. Table III-22 shows contacts’ estimates of the average number of people employed by limited English speaking small business owners.

Table III-22
Average Number of Employees in Limited English Businesses

Number of Employees	Number of Organizations
1-3	6
4-6	2
7-10	2
Range, but less than 10	5
Don't Know	6

Number of Employees	Number of Organizations
Total	21

Organization contacts were asked to estimate the percentage of limited English speaking business owners who operate out of separate business locations as opposed to out of their homes. Table III-23 shows that 17 of the 18 contacts who provided estimates reported that the majority of limited English speaking small business owners operate businesses from separate locations.²

Table III-23
Percentage of Limited English Businesses with Separate Business Locations

Percent with Separate Location	Number of Organizations
0-50%	1
51-75%	3
76-100%	14
Don't Know	3
Total	21

Contacts were also asked about limited income small business proprietors who own separate business locations. Seventeen contacts were able to estimate the percentage of small business owners with separate business locations who own these properties. Table III-24 shows that seven of these 17 contacts reported that all of these business owners rent their locations.

Table III-24
Percentage of Limited English Businesses that Own their Property

Percent that Own	Number of Organizations
0%	7
1-25%	7
26-50%	3
Don't Know	4
Total	21

Based on a brief description of services offered by the program, contacts were asked whether they thought limited English speaking small business owners would be eligible to participate. They were subsequently asked what percentage of these business owners they thought would be eligible. While many contacts were unable to estimate a percentage, 13 furnished at least rough estimates. All of the contacts who provided estimates thought that at least some of these businesses would be eligible for the program. Table III-25 shows the

² A higher percentage of limited English business owners than low-income business owners have businesses outside their homes and have businesses that are restaurants. These two factors are likely related.

extent to which the organizations thought that the limited English speaking small business owners would be eligible for the SBEA Program.

Table III-25
Limited English Business Owners Eligible for the SBEA Program

Proportion Eligible	Number of Organizations
All	9
Most	3
Some	1
Don't Know	8
Total	21

When asked if they thought limited English speaking small business owners would be interested in the SBEA Program, 14 of 21 organization contacts expected that these business owners would be interested. Table III-26 summarizes contacts' thoughts on whether these business owners would be interested in the program. One contact felt that all of these business owners would be interested in the program and reported that this market segment often tends to be uninformed or overlooked. Another reported that these business owners might be interested in participating, but that interest would depend on the specifics of the program and costs to the business owner.

Table III-26
Limited English Business Owners Interested in the SBEA Program

Interested	Number of Organizations
Yes	14
No	0
Maybe	5
Don't Know	2
Total	21

After gauging whether limited English speaking business owners might be interested in the program, interviewees were asked about the primary barriers preventing participation. The most common barrier to participation mentioned by organization contacts was language, which was closely followed in frequency by lack of knowledge. Cost was also a factor brought up by several organization contacts as a large barrier to participation. One contact indicated that the language barrier might prevent participation, but also felt that the business owners' inability to take time off would be a primary barrier. This contact suggested that the best way to overcome both of these barriers would be to send a representative to the businesses to discuss the program in person. Another contact cited language as a primary barrier and recommended that the benefits be explained in the business owner's native language. Table III-27 shows the most commonly reported barriers to participation. Barriers summarized by "Other" include program bureaucracy, marketing of the program,

success of the business, skepticism about services provided on the part of the business owner, and fear of deportation.

Table III-27
Primary Barriers to Limited English
Business Owner Participation in the SBEA Program

Primary Barriers	Number of Organizations
Language	9
Lack of Knowledge	8
Cost	6
Lack of Time	5
Lack of Trust	5
Other	6

IV. Program Facilitation

During the course of the first round of interviews, several organization contacts suggested that the best way to reach low-income or limited English speaking small business owners is through trusted community organizations. This finding provided motivation for additional research into whether organizations who work with this market segment might be willing to facilitate participation in the SBEA Program. This section summarizes the findings from the second round of interviews about organizations' willingness to help facilitate program participation.

Twenty-one of the 28 organizations interviewed reported that they would or may be willing to facilitate program participation in some way. Table IV-1 shows the number of organization contacts who reported that their organizations would be willing to facilitate, the number of contacts whose organizations would not be willing to facilitate and the number of contacts who thought their organizations might be willing to facilitate but could not say for sure.

Table IV-1
Willing to Facilitate Program Participation

Willing to Facilitate?	Number of Organizations
Yes	15
No	7
Maybe	6
Total	28

Contacts who said they might be willing to facilitate program participation were asked whether their organization would be willing to undertake the three different activities listed below.

- Provide a list of contacts for low-income or limited English business owners.
- Contact business owners to tell them about the program and provide business owners with contact information for SBEA contractors.
- Work through the process with business owners, including arranging an energy audit.

Table IV-2 summarizes contact responses to these questions. Twenty of the 21 contacts who thought their organization might be willing to facilitate program participation reported that their organizations would be willing to distribute information about the program. These contacts reported that they would be willing to distribute this information in various ways, including sending out emails, making in person referrals to small business owners or including program information in a monthly newsletter. Contacts at several organizations explained that they would prefer to reach out to business owners directly instead of providing a list of business owner contacts to the program because of privacy concerns. For example, a contact at one organization explained that the organization treats client information "like a bank would." This organization's policy prevents it from keeping mailing lists or sharing client information with others.

**Table IV-2
Facilitation Activities**

	Would your organization be willing to . . .		
	Provide Business Owner Contact Information to Utilities	Distribute Program Information to Business Owners	Work through the SBEA Process with Business Owners
Yes	9	20	8
No	17	7	17
Maybe	2	1	3
Total	28	28	28

When asked if their organizations would require compensation, several of the contacts distinguished between compensation and covering costs. These contacts reported that their organization would not need compensation but qualified this response by saying that they could not perform tasks if that meant operating at a loss. For example one contact reported that the organization would need to be reimbursed for literature distribution costs or for the expense of holding a workshop. These organizations are listed separately in Table IV-3 from organizations who quoted fees for services or who simply said that their organizations would require compensation without giving further specification.

**Table IV-3
Compensation Required**

Compensation Needed for Facilitation	Number of Organizations
Yes	3
Cover Costs	6
Maybe	3
No	7
Don't Know	2
Total	21

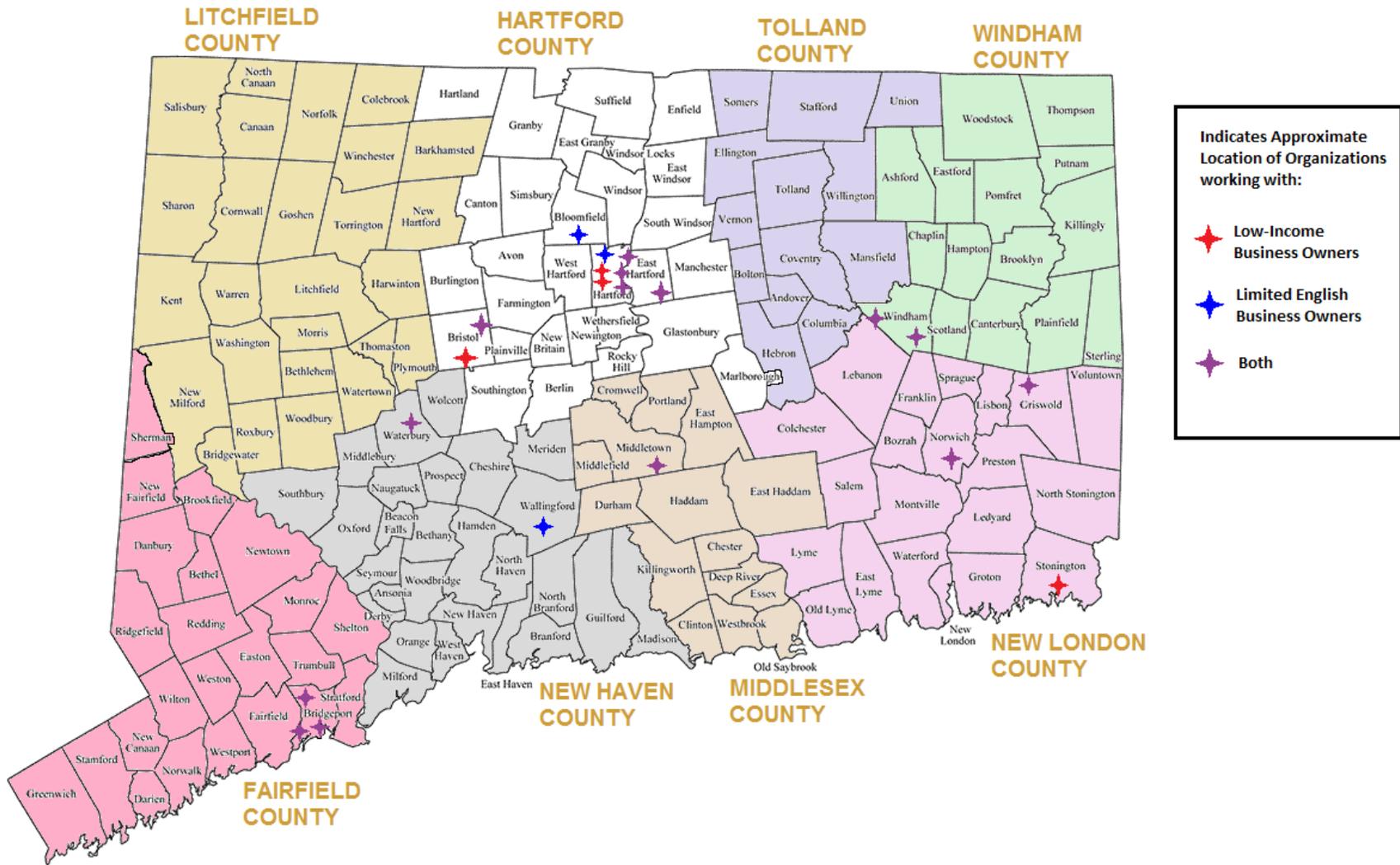
Table IV-4 summarizes both the facilitation activities that contacts reported their organizations might be willing to undertake and the compensation the organizations would need for facilitating. For this table contacts that were somewhat unsure but thought their organizations might be willing to facilitate certain activities are listed under those categories. For example, one organization indicated that they may be willing to work through the process with business owners, but would need additional information before making a commitment.

**Table IV-4
Facilitation Activities and Compensation Required**

Compensation Needed for Facilitation	Facilitation Activities			
	All Activities	Distribute Program Info & Help Businesses with Process	Provide Contact Information to Utilities & Program Info to Businesses	Provide Program Info to Businesses Only
Yes	1	0	0	2
Cover Costs	4	0	1	1
Maybe	0	1	0	2
No	3	0	1	3
Don't Know	0	0	0	2
Total	8	1	2	10

Figure IV-1 maps the approximate location of each organization that reported they may be willing to facilitate participation in the SBEA Program. While recommendations caused some clustering, at least one organization from six of eight counties in Connecticut reported that they might be willing to facilitate program participation. Some of the counties had no coverage or limited coverage in certain areas, including Litchfield County, Fairfield County, Tolland County and Windham County. It is possible that additional research on organizations in these counties could provide information on organizations that may be willing to facilitate participation in the SBEA Program.

Figure IV-1
Location of Organizations Willing to Facilitate



V. Summary and Recommendations

Based on two series of in-depth interviews completed with Connecticut organizations that interact with low-income or limited English speaking small business owners, there is a significant population of low-income or limited English speaking small business owners in Connecticut, and there is potential interest among these business owners in energy saving programs. The contacts interviewed felt that there would be barriers to participation by these business owners, but they also believed that most business owners would be interested in saving energy. A majority of the organizations contacted also expressed willingness to help facilitate program participation.

The fact that these organizations spent between 10 and 40 minutes discussing their interactions with low-income and limited English small business owners also indicates their eagerness to serve their clients. Most of the organizations commented that if the program would help their clients, they would be happy to work to increase participation. The majority of organizations who said they would be willing to facilitate noted that they would prefer to facilitate by distributing information about the program. These interviews suggest that both organizations and small business owners would be interested in learning more about the SBEA Program, and that these organizations could potentially increase participation of this market segment.

The suggestion from the first round of interviews that community organizations might serve as a good bridge for initial contact with these business owners proved to be a valid lead based on organizations' reported willingness to help facilitate participation. This research has demonstrated the value of local organizations not only in their ability to provide information about low-income and limited English speaking small business owners, but also in their willingness to help increase participation of this market segment. The knowledge that these organizations contributed about these types of business owners is valuable in determining how best to increase their participation in the program. These organizations will likely be capable of catering to the individual needs of these small businesses because of this knowledge, and will consequently be well suited to the task of program facilitation.

This study also produced a separate and confidential document with the details of the organizations' requirements, contact information, and other useful information to pursue an initiative that may be designed based upon this study. The supplemental document provides the primary value from this research. It provides concrete information that could be directly used to negotiate with a variety of organization across CT to pilot additional outreach and facilitation with businesses whose owners are of limited income or limited English speaking ability. The document is confidential because it includes information on the level of financial requirements for each specific organization. The information was provided in confidence and could also hamper negotiations if it were to be made public. However, the document does not provide any additional information, analyses, or findings.

It is currently not possible to determine whether SBEA participants can be categorized as having low-income or limited English owners, as this information is not recorded in program databases. However, if it is important to the CT Energy Efficiency Board or the utilities to quantify

participation by these types of businesses, then the program needs to collect these identifications and record this in the program database or a separate data repository.

We recommend that specific data are collected if the utilities and program designers create a SBEA subcomponent or special marketing effort with the organizations. The effectiveness and cost-efficiency of these types of efforts cannot be ascertained without collecting the following information. Individual components or targets within energy efficiency programs need not be fully cost-effective but will contribute to the program's over all cost-effectiveness and cost per energy saved and should, therefore, have the information available for program planning and policy decisions.

1. Outreach conducted to low-income or limited English businesses
2. Percent of businesses that are located outside the home
3. Percent of businesses that are located outside the home that are willing to participate in an audit
4. Percent of businesses that qualify for SBEA participation
5. Percent of businesses that receive an audit and the number that find savings potential
6. Percent of businesses that are willing to apply for loans and those that are unwilling
7. Percent of businesses that apply and qualify for loans
8. Marketing costs and other costs of activities undertaken to recruit this population

These data will be important to assess the additional costs that are involved and the cost-effectiveness associated with SBEA participation by low-income and limited English businesses. While motivation for recruiting such participation goes beyond such statistics, and includes the importance of ensuring that the program is available to all eligible small businesses, it is still important to assess the additional costs and the resulting cost-effectiveness associated with increasing the participation of these business owners. The study found that the many barriers to recruiting such participants, in addition to income and English skills, include the fact that many of the businesses are in the owners' homes, those that are outside the home are often rented, and owners are wary of participation and may not have the business savvy to assess the cost-effectiveness of the energy efficiency investment. Therefore, it may be highly time-intensive and costly to increase participation by this group.

VI. Appendix

This Appendix contains the interview guide that was used in this study.

Introduction:

APPRISE is a nonprofit research institute located in Princeton, NJ. We are conducting research for the CT Energy Efficiency Board. CT has a suite of energy efficiency programs including the Small Business Energy Advantage Program. This program provides cost-effective energy-saving services for small commercial and industrial customers who do not have the time, financial resources, or in-house expertise necessary to analyze and reduce their energy usage.

The CT Energy Efficiency Board is interested in increasing program participation by small businesses owned by individuals who have limited income or limited English ability. We are conducting research to obtain information on organizations that work with these types of small businesses and to determine whether such organizations could potentially facilitate the participation of these businesses. We thought you or someone from your organization would be knowledgeable about this issue and would be interested in discussing briefly with you. Do you have about 20 minutes now, or can we schedule a time to talk?

Organization _____

Contact Name _____

Contact Title _____

Contact Phone _____

Contact Email _____

A. Characterization of Organization and Types of Businesses

1. Provide a brief description of your organization and the types of services you provide.
2. In what capacity do you work with small business owners?

Low-Income

3. Do you work with low-income business owners?
4. Approximately how many low-income business owners would you estimate your organization has worked with in the past year?
5. Do you have mostly one-time interactions with these low-income business owners, or on-going relationships? What percent would you say you have on-going relationships with?
6. In general, what types of businesses do these low-income owners have?
7. How many employees, including family members, would you say the average low-income small business has?
8. Do these low-income business owners work out of their homes or do they have a separate business location? What percent would you say have a separate business location outside of their home?
 9. For the businesses with a separate location outside of the home, do you know if the business owners rent or own their office spaces? What percent would you say own their office spaces?
10. Do you think these low-income business owners may be eligible for the program I described? What percent do you think would be eligible?
11. Do you think the low-income business owners may be interested in participating in the program?
12. What do you think are the primary barriers to these low-income business owners participating in the program?

Limited English

13. Do you work with limited English business owners?
14. Does this population overlap with the low-income business owners? If yes, what percent of the limited English business owners are also low-income?
15. What languages do they speak? What are the most prevalent ones?

16. Approximately how many Limited English business owners would you estimate your organization has worked with in the past year?
17. Do you have mostly one-time interactions with these Limited English business owners, or on-going relationships? What percent would you say you have on-going relationships with?
18. In general, what types of businesses do these Limited English business owners have?
19. How many employees, including family members, would you say the average Limited English small business has?
20. Do these limited English business owners work out of their homes or do they have a separate business location? What percent would you say have a separate business location outside of their home?
 21. For the businesses with a separate location outside of the home, do you know if the business owners rent or own their office spaces? What percent would you say own their office spaces?
22. Do you think these Limited English business owners may be eligible for the program I described? What percent do you think would be eligible?
23. Do you think the Limited English business owners may be interested in participating in the program?
24. What do you think are the primary barriers to these Limited English business owners participating in the program?

B. Program Facilitation

If the business is eligible, a contractor will provide a free energy assessment followed by a comprehensive proposal that includes potential energy efficiency measures, costs, estimated savings, program incentives, and financing options. We would like to discuss whether your organization may be willing to help low-income and/or limited English businesses get involved in the program.

1. Would your organization be willing to facilitate participate in the SBEA by low-income or Limited English small businesses?
2. Which of the following activities would you organization be willing to undertake?
 - 2A – providing a list of contacts that are low-income or Limited English business owners that you think may be eligible for the SBEA?
 - If yes, what compensation would your organization require for this service?

- 2B – contacting low-income or Limited English business owners that you think might be eligible to tell them about the program and provide contact information to the businesses for participating contractors?
 - If yes, what compensation would your organization require for this service?
 - 2C – obtaining permission from these businesses to contact a contractor on their behalf to arrange an energy audit and helping them to understand and work through the process?
 - If yes, what compensation would your organization require for this service?
3. If interested, who would be the primary contact at your organization that the utility should discuss working with? (get name and contact info if someone other than who you are interviewing)
 4. Do you know of other organizations that may be willing to facilitate program participation in this manner? If yes, can you provide contact information for the organization(s)?