



Minority- and Women-owned Businesses in Washington's Green Economy

REPORT AND STRATEGY
DECEMBER 2008

Mina Yoo
&
Michael Verchot

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Mina Yoo
Management & Organization
Foster School of Business
University of Washington
minayoo@u.washington.edu

Michael Verchot
Director
Business and Economic Development Center
Foster School of Business
University of Washington
mverchot@u.washington.edu

CONTENTS

Executive Summary	4
Preface	6
Small Businesses in the Green Economy	12
Minority- and Women-owned Businesses in the Green Economy	18
Strategy and Policy Recommendations	24
Conclusion	33
Appendix A: Interview Questions	34
Appendix B: Support Service Organizations Consulted	36
Appendix C: Survey Questions	37
Appendix D: List of Counties by Region	39
About the UW Business and Economic Development Center	40

EXECUTIVE SUMMARY

Who participates in a “Green Economy”? Why should businesses become “green”? How are Green Economy firms different from those that are not? What are the obstacles to participating in a Green Economy? What can be done about them?

In this report, we highlight:

- The industry and demographic landscape of the Green Economy
- The unique business characteristics of a Green Economy firm (compared with a conventional firm)
- The characteristics of minority- and women-owned businesses in the Green Economy
- Challenges faced by minority- and women-owned Green Economy businesses

Our analyses suggest that:

- Any industry can incorporate green products and services
- Green Economy participation is a matter of meeting customer demand and surviving as a business
- Green Economy businesses have higher revenue and employ more people
- Minority- and women-owned businesses, even when participating in the Green Economy, have lower revenues and employ fewer people than their white-owned and male-owned business peers

Based on our findings, we develop a series of recommendations to assist small businesses, in general, and Minority and Women Business Enterprises (MWBEs), in specific, in successfully and fruitfully participating in the Green Economy. Our recommendations include programs and initiatives to:

- Create a level playing field for MWBEs and small businesses
- Promote and facilitate outreach to MWBEs by support agencies
- Initiate an online forum for MWBEs and small businesses to collaborate, knowledge share and jointly bid on large contracts

- **Develop a framework for identifying and nurturing Green Economy “gazelle” companies with a focus on those owned by people of color and women**
- **Simplify and reform the certification process for MWBEs**
- **Broaden the mandate of the Office of Minority and Women Business Enterprises**
- **Hold a state-wide minority Green Economy conference**
- **Create a Green Economy Unit within CTED with a primary focus on reaching out to minority- and women-owned businesses**

PREFACE

Washington State likes “green.” Whether gauged by the number of festivals, events and workshops on the “Green Economy,” courses offered at institutions of higher learning, the abundance of locally and sustainably grown food, green buildings, hybrid car ownership or the use of bicycles, Washington, it seems, is ripe for the emerging era of Green¹.

As the state of Washington embraces the greening of the economy, it is important not to leave behind the often-neglected segments of the economic area – the historically underrepresented MWBEs and small business in general.

In Washington State, people of color make up 21.7% of the population but own only 10.85% of businesses representing only 6.24% of the states’ business revenues. Women-owned businesses (51% or more owned by women) make up 46% of privately owned businesses in Washington but only 31% of the business revenues in the state.

The under-representation of people of color in business communities has implications beyond communities of color. Minority business owners tend to employ other people of color at a higher rate than non-minority-owned firms. Given that unemployment rates for African American, Latino, and Native Americans are typically at least 1.5 to 2.0 times that of Caucasians², growing employment opportunities for individuals in these racial and ethnic groups is vital to the state’s future economic wellbeing. Thus, minority- and women-business participation in the Green Economy is critical not only to the wealth accumulation of the individual business and communities of color but to the state as a whole. The nascent state of the market for green products and services and the relatively broad range of businesses that can participate in this market provides a unique opportunity for minority- and women-owned businesses to achieve economic parity.

Our research, commissioned by the Washington State Legislature (HB 2815) is hence aimed at identifying and developing policy recommendations to overcoming barriers faced by minority- and women-owned businesses and identifying opportunities for their successful participation in the Green Economy. In this report, we begin by assessing the current rate of participation in the Green Economy by small businesses and MWBEs, paying close attention to any differences between MWBEs and other businesses. Based on this assessment, we develop specific policy recommendations.

¹ Seattle, for example, ranks among the top five U.S. cities in green buildings, hybrid car ownership per capita and use of bicycles for commuting (Pernick, Ron, Wilder, Clint, and Gauntlett, Dexter. 2008. *Carbon-free Prosperity 2025*).

² Source: U.S. Department of Labor, Bureau of Labor Statistics.

Defining the “Green Economy”

“Green” is a nebulous concept which needs to be defined if we are to examine opportunities in this sector. As a part of Engrossed Second Substitute House Bill 2815, the Department of Community, Trade and Economic Development (CTED) was directed to create a definition of the Green Economy.

As a result of this directive, CTED has defined the Green Economy as broad and inclusive, stating³:

The “green economy” is rooted in the development and use of products and services that promote environmental protection and/or energy security.

“Green” is a cross-cutting term that can be applied to certain activities and products that exist in virtually all of today’s sectors, industries and activities. Green is a matter of degree. There are *shades* of green!

The green economy is best thought of as the “greening” of our existing economy. Industries are and will be in a state of transition. Efficiencies and new energy sources will develop and be adopted over time. In other words, defining a job or an industry as green is not black or white.

The primary industries (and their entire supply chains) that were seen to lead the Green Economy were identified by CTED as:

- Clean Energy (renewable, efficiency, alternative)
- Green building
- Transportation
- Environmental protection (waste management and water conservation)
- Business services

Following CTED’s initiative, we defined participation in the Green Economy as a matter of degree and as applicable to existing sectors, industries and activities, as well as their supporting services. Given that our goal is to examine the participation in the Green Economy from a business perspective, we focus on revenue-generating activities in the Green Economy and include as a part of the Green Economy firms which sell products and services that promote environmental protection and the ability to secure energy, as exemplified by waste management/reuse, environmental remediation, green building, and alternative and renewable energy.

³ This definition was provided by CTED in November 2008.

Introduction to the report

A slew of key reports published recently have examined the economic potential of the “green” and “clean energy” sectors in Washington State. *Carbon-free Prosperity 2025*, produced jointly by Clean Edge and Climate Solutions, concluded that Washington, along with its neighbor Oregon, can play a “leadership role” in several clean energy sectors while a recent Prosperity Partnership Economic Competitiveness report called the environment and clean energy sector a “star cluster,” indicating that this sector in Puget Sound represents high capability in a growing market.

Our report compliments and extends the findings of existing reports by providing a broader view of the issues at stake in the Green Economy:

1. Rather than focusing on *industry* specifications to identify GE firms, we focus on *activities*. Like CTED, we define participation in the GE as a matter of degree.
2. We focus on small firms, which make up the majority of our economy. A little under 90% of Washington’s firms have fewer than 20 employees, and over 96% have fewer than 100 employees. Firms that have fewer than 100 employees provide over 40% of Washington’s jobs.⁴
3. As a subsample, we include non-GE firms to better understand their business activities and the reasons for their non-participation in the Green Economy.
4. We include stratified samples of Asian Pacific Islander (API), Black/African American (Black), Latino and White businesses to explore potential inter-group differences in various aspects of GE participation.

It is important to note that we did not include an analysis of Native American-owned businesses or tribally-owned enterprises because a large enough sample size in data collection was not possible. Tribes, especially in their management of forests and fisheries, have long implemented green practices in developing businesses. Often, the green practices employed by tribally-owned enterprises outpace industry standards. An analysis of this sector will be an important next step in developing Green Economy jobs, especially in rural parts of Washington where tribes are often the largest employer and a major economic engine.

⁴ Source: Census, 2006.

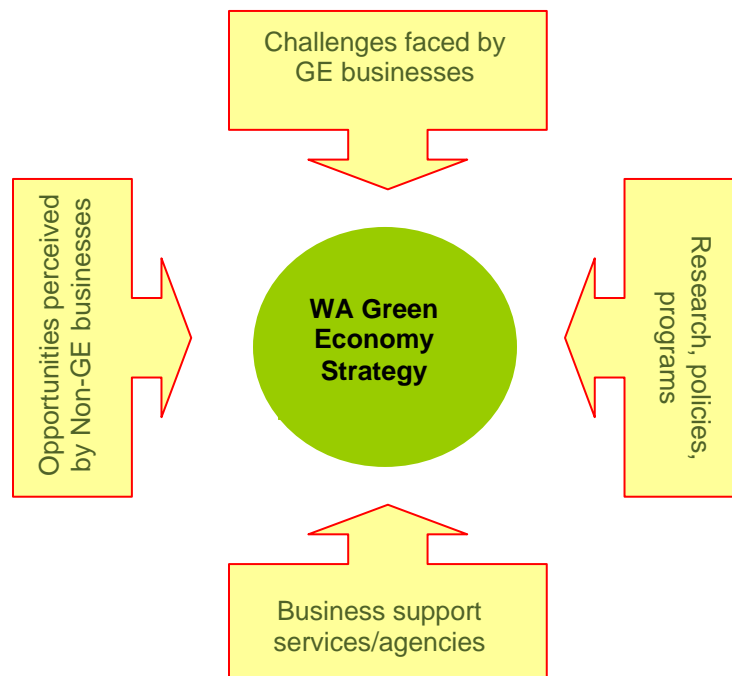
To identify opportunities and barriers in the successful participation in the Green Economy by MWBEs and other small businesses, we ask the following questions:

- What is the current state of MWBEs and small business in its participation in the Green Economy?
- How do green businesses differ from non-green businesses?
- What are the differences, if any, between MWBEs and white-owned businesses?

Our methods

We used a four-pronged approach to assessing various aspects of participation in the Green Economy by MWBEs and other small businesses. To this end, our primary research involved interviews with Green Economy Business owners, support organizations and policy makers as well as a telephone survey.

Figure 1. Developing Washington’s Green Economy Strategy



Sampling frame

Our participants for the interviews and surveys were recruited using a combination of resources provided by the University of Washington's Business and Economic Development Center: a Dun & Bradstreet database of minority and White businesses, an infoUSA database of minority businesses as well as lists of minority businesses compiled from various sources such as the Hispanic Yellow Pages, the Washing Black Business database and the Washington State Office of Minority and Women Business Enterprises.

Interviews

We conducted in-depth interviews with 28 business owners currently operating in the Green Economy. Using the sources listed above, we made every attempt to create a representative sample, in geography, race/ethnicity, gender, and industry.

The final sample included:

- 19 business owners from Puget Sound, 1 from the Northeast, 6 from the Southeast, and one who had offices in both Puget Sound and Olympic Peninsula.
- 8 women-owned businesses, 19 male-owned businesses, one business owned equally by a man and a woman, and one equally owned by one woman and two men.
- 8 Asian/Pacific Islander, 4 Black, 5 Latino, 3 Native American and 5 White businesses as well as two businesses owned by a multi-racial pair/group.
- 7 businesses in the alternative and renewable energy sector, 9 in the green building/energy efficiency sectors, 3 in recycled products, 7 in support services, and one in waste management.

The interview questions are included in Appendix A.

To better understand the needs and experiences of Green Economy businesses, we supplemented our business owner interviews with consultations with 19 representatives from service organizations and economic development agencies (listed in Appendix B⁵). These interviews, combined with those conducted with business owners, formed the basis for our survey questions.

⁵ We are not able to provide an equivalent list of business owners as we have guaranteed them confidentiality and anonymity.

Surveys

The University of Washington Business and Economic Development Center conducts a semi-annual survey of Washington businesses to track their performance and perceptions of the business environment. We were able to add Green Economy questions to the most recent wave of this ongoing study to inform our research.

A total of 438 surveys with Asian/Pacific Islander (API), Black/African American, Latino, and White business owners in Washington were completed by telephone in October and November, 2008. Table 1 summarizes the demographic characteristics of the respondents.

Table 1. Survey Sample Characteristics

	API	Black	Latino	White	Total
Male	73 (63.5%)	60 (64.5%)	70 (64.8%)	79 (64.8%)	282 (64.4%)
Female	42 (36.5%)	33 (35.5%)	38 (35.2%)	43 (35.2%)	156 (35.6%)
Total	115 (100.0%)	93 (100.0%)	108 (100.0%)	122 (100.0%)	438 (100.0%)

The “Green Economy” portion of our survey began by asking the respondents to estimate what percentage of revenue they derive from the Green Economy. Those who derived some fraction of revenue from green products and services were deemed Green Economy firms (“GE firms”) and those that didn’t were deemed “non-GE firms.” GE firms were asked about their experiences in participating in the Green Economy while non-GE firms were asked questions relevant to their perceptions and likelihood of entering the Green Economy.

The full survey contained one Green Economy questions for all respondents, nine questions for GE firms and nine questions for non-GE firms, beyond general firm background and business condition questions. Appendix C contains a sampling of questions asked in the survey.

SMALL BUSINESSES IN THE GREEN ECONOMY

How prevalent are GE firms? Which industries are the most “green”? How do GE firms differ from non-GE firms?

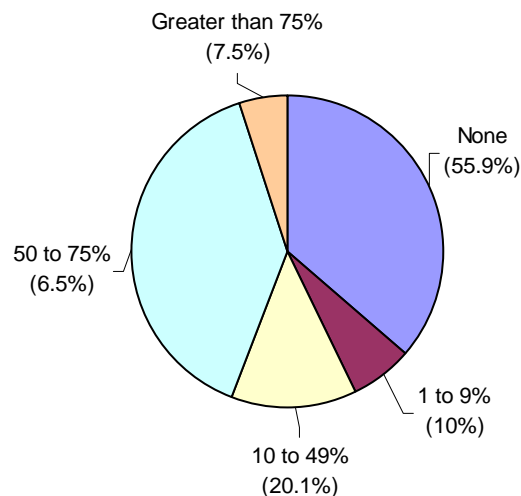
Our study revealed that:

- Green is everywhere, in varying degrees
- Green is associated with higher revenues and larger firms
- Green is a matter of survival
- Green is here to stay

Green is everywhere

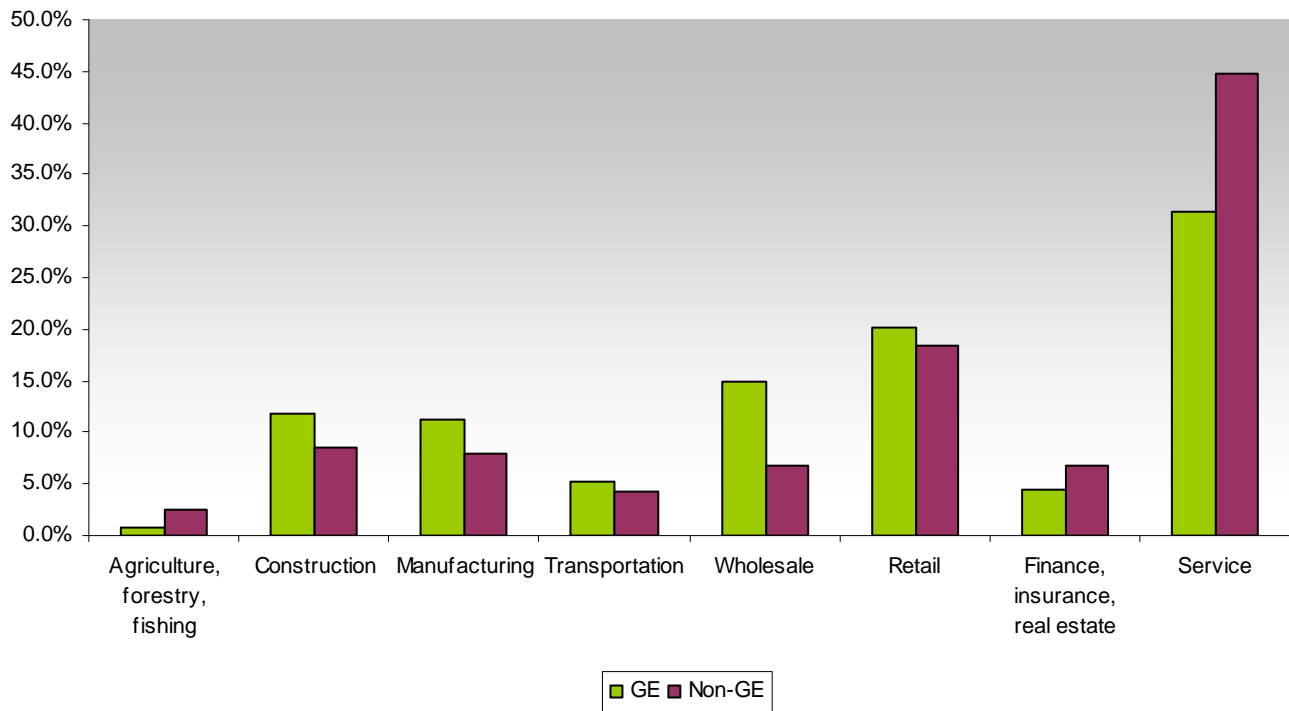
Our research showed that about 44% of all businesses surveyed derived revenue by selling green products or services. Among Green Economy (GE) firms, the percentage of revenue obtained from Green Economy participation ranged widely, from 1% of total firm revenue to 100%, with a median of 20% (34% mean). The diagram below summarizes the composition of Washington’s economy by percentage of revenues generated through green products and services.

Figure 2. The Composition of the Economy by Rate of GE Participation



Furthermore, we found that Green Economy businesses appeared in every industry. As one business owner put it, “If you’re not thinking about going green, you’re missing a good business opportunity. There are two things: how to run your company green and how to sell green. Whether you’re a painter, iron worker, what do you have to do to make it green.” Figure 3 illustrates the composition of Green and Non-green Economies, by industry.

Figure 3. Industry Composition of Washington’s Green and Non-green Economies



However, industries varied in level of participation. Wholesale businesses led the way with the highest percentage of businesses generating revenue from green products or services (64.5%), followed by manufacturing (53.6%), construction (53.3%) and retail (47.4%). Among those who sold green products and services, the industries that generated the highest percentage of revenues from the Green Economy were services (40% of revenues), followed by construction (25%), manufacturing (20%) and wholesale (20%). Table 2 summarizes these differences.

Table 2. Green Economy Participation by Economic Sector

Economic Sectors	GE (% businesses)	Non-GE (% businesses)	% Revenue from green products/services (GE firms only)	
			Median	Mean
All sectors	44.1%	55.9%	20.0%	34.1%
Agriculture, forestry, fishing	20.0%	80.0%	*	*
Construction	53.3%	46.7%	25.0%	41.1%
Manufacturing	53.6%	46.4%	20.0%	32.1%
Transportation	50.0%	50.0%	10.0%	30.3%
Wholesale	64.5%	35.5%	20.0%	36.5%
Retail	47.4%	52.6%	15.0%	26.6%
Finance, insurance, real estate	35.3%	64.7%	15.0%	22.5%
Services	36.5%	63.5%	40.0%	46.1%

Although GE firms are in every industry, geographically, they are concentrated in Puget Sound, much like non-GE firms. Table 3 summarizes the geographic distribution of GE and non-GE firms in Washington. Appendix D contains the list of Washington state counties, divided into the six regions in the table.

Table 3. Geographic Distribution of GE and non-GE firms

Region	GE	Non-GE
Northeast	12.5%	12.9%
Northwest	6.3%	5.7%
Olympic Peninsula	0.6%	1.9%
Puget Sound	66.9%	65.7%
Southeast	11.9%	10.0%
Southwest	1.9%	3.8%
Total	100.0%	100.0%

Green Economy firms are larger and have higher revenues

Although GE firms and non-GE firms had many similarities – such as industry representation, outlook on the economy, perception of Washington’s business environment, and interpretation of their sales⁶, there were two critical

⁶ A full report of Washington firms perceptions of their business environment will be published by the University of Washington Business and Economic Development Center in January 2009.

statistically significant differences: revenues generated in 2007 and number of full-time and part-time workers employed.

Despite the finding that GE firms and non-GE firms had both been in business approximately 14 years, GE firms had a far greater revenue in 2007 with a median of \$435,000 (mean of \$6,144,968) compared with a median of \$250,000 (mean of \$2,101,696) non-GE firms. Similarly, GE firms employed more people with a median of 3 employees (mean of 12) compared with a median of 2 employees (mean of 5) for non-GE firms. [Note that among GE firms, there were differences in revenue and number of employees across demographic groups. These differences are explored in the next chapter of this report, “Minority- and Women-owned Businesses in the Green Economy.”]

Table 4. Business Characteristics of GE and non-GE firms

Business Characteristics	GE	Non-GE
Longevity (median)	14.5 years	14 years
Longevity (mean)	16.4 years	16 years
Revenue in 2007 (median)	\$435,000	\$250,000
Revenue in 2007 (mean)	\$6,144,968	\$2,101,696
Number of full-time employees (median)	3	2
Number of full-time employees (mean)	12	5
Number of part-time employees (median)	1	1
Number of part-time employees (mean)	5	11

The difference between the revenues and employment rates of GE and non-GE firms was even more pronounced when we examined the top 25% of both GE and non-GE firms. The top 25% of GE firms had revenues of over \$2 million and 12 full-time employees while the top 25% of non-GE firms had revenues of over only \$1 million and 4 employees.

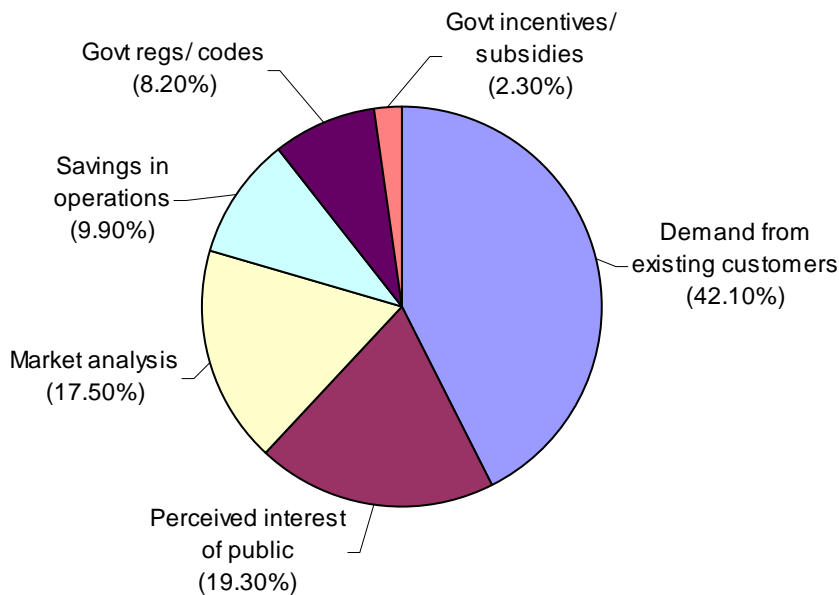
Green is more about survival, less about growth

There are two possible explanations for the finding that GE firms are larger and have more employees than non-GE firms: 1) selling green products and services leads to higher revenues and create more jobs than non-GE firms and 2) firms with higher revenues and more employees are better able to transition to green products and services. Our survey results show that the latter is a better explanation based on three of our findings.

First, if selling green products and services led to firm growth, we would expect GE firms to report a greater number of hires. However, there was virtually no difference between GE and non-GE firms in terms of past, current and future hirings. Among GE firms, 12.4% reported that they had job openings that they were unable to fill while 11% of non-GE firms reported the same. Similarly, GE firms and non-GE firms did not differ significantly in reporting changes in the total number of employees in the last three months, whether for an increase in number (13.5% among GE firms compared with 8.2% for non-GE firms) or decrease (18.1% of GE firms, compared with 18.4% of non-GE firms). Twenty-four percent of GE firms said that they expected to increase the total number of employees in the next three months, compared with 19.9% of non-GE firms while 17.7 % GE said firms said that they would decrease the number of employees, compared with 13.3% of non-GE firms.

Second, our survey showed that for the largest fraction of GE firms (42.1%), the main motivation incorporating green products and services into their sales mix was demand from existing customers. Although 19.3% of the GE firms were motivated by their general assessment of public sentiment and 17.5% by market analysis, our interviews indicate that the transition was a survival, rather than a growth strategy. One interviewee explained to us why his firm went green: “If you don’t go with the trend or things that make you more effective in business, then you’re not going to stay in business.” Another stated, “We know that green will permeate. We don’t exist to promote green, but to help customers get what they want. General consciousness is far more aware of green than it used to be. “

Figure 4. Motivation for Selling Green Products/Services



Finally, the majority of our survey respondents (60.9%) stated that the addition of green products or services had no effect on their revenue while only 24.5% said that it actually increased revenue (3.6% reported that revenue decreased). Even more telling is that 75.9% reported no effect on profitability after the addition of green products or services, compared with 18.3% reported an increase and 5.8% reported a decrease. This finding suggests that for most companies, green products are replacing the sale of non-green products rather than adding to it and that in spite of popular belief, green products do not necessarily ensure a price premium, especially after accounting for the cost of materials in producing green products.

“Going green” is an endeavor requiring both financial and human resources. Firms with higher revenues and more employees would be better positioned to make the transition, as dictated by the demands of existing and potential clients. For some firms, it may be a case of “the rich get richer,” whereby being larger and more resource-rich, they are able the transition into the Green Economy, and then expand into previously untapped markets with their new products. For most, however, going green is a matter of survival.

Green is here to stay

Not only is “green” everywhere, but it is here to stay. In our study, 42.2% of GE firms reported that they expected their sale of green products to increase in the next three months, and 56.1% expected an increase in the next twelve months. Fewer than 5% of the businesses expected their sale to decrease (the remaining 52.9% believed that it would stay the same). Even more remarkable is that 45.1% of those that believed that business conditions in their markets were deteriorating still believed that their sales would increase in the next three months (3.7% believed that sales would decrease).

Although this finding might lead to unbridled optimism, we again caution that our interviews, surveys and observations collectively suggest that green products are not an *additional* revenue stream but rather, a *replacement* revenue stream.

Examples of Incorporating Green Products/Services into Existing Businesses

- A packaging goods company sells recycled packaging.
- A retail store sells sustainably produced goods.
- A construction company collects debris and sells it.
- A consulting company adds an environmental arm.
- A transportation services company adds hybrid vehicles to its fleet.
- A real estate company begins to sell “green” homes.

MINORITY- AND WOMEN-OWNED BUSINESSES (MWBES) IN THE GREEN ECONOMY

Minority-owned businesses

There were some differences between GE firms when grouped by race/ethnicity. Over 40% of the businesses in all groups, including White-owned GE firms, derived some revenue from green products and services, with Asian/Pacific Islander (API) businesses having the highest rate of participation in the Green Economy (49.6%). Black business owners generated the highest percentage of their revenues (30%) from the Green Economy.

Table 5. Business Characteristics by Race/Ethnicity

Business Characteristics	API	Black	Latino	White
% in Green Economy	49.6%	41.9%	43.5%	41.0%
Longevity (median)	15 years	12.5 years	12.5 years	15.5 years
Longevity (mean)	18 years	14.7 years	14 years	16.4 years
Revenue in 2007 (median)	\$850,000	\$225,000	\$367,500	\$500,000
Revenue in 2007 (mean)	\$3,315,468	\$3,874,757	\$7,778,281	\$9,603,577
Number of full-time employees (median)	5	3	3	4
Number of full-time employees (mean)	12	9	8	17
Number of part-time employees (median)	1	2	1	1
Number of part-time employees (mean)	3	4	4	8
% Revenue from GE (median)	25.0%	30.0%	20.0%	20.0%
% Revenue from GE (mean)	35.9%	38.7%	30.2%	32.1%

The groups also showed differences in business characteristics. Asian Pacific Islander firms were the largest with five full-time employees and generated the highest revenue in 2007 at \$860,000. White GE businesses have the second highest revenue (\$500,000), followed by Latino businesses (\$367,500), then Black businesses (\$225,000). Along with White-owned businesses, API businesses were also among the oldest (15 years).

Women-owned businesses

Women-owned businesses show a similar pattern to some of the minority groups. Although they make up a significant portion of the Green Economy, their businesses are smaller and generate lower revenues.

Almost 40% of women-owned businesses derive about 30% of their revenues from selling green products or services (compared with male-owned businesses generating 20% of their revenues from green products). Women-owned businesses make up 32.1% of the Green Economy. A greater percentage of women-owned GE firms operate in wholesale and transportation than male-owned GE firms.

Compared with male-owned GE firms, women-owned GE firms generated significantly lower revenues and employed fewer people. What is even more interesting is that for women-owned firms, the difference between the median revenue by GE firms and non-GE firms is negligible (\$175,000 and \$180,000 respectively) while for men, it is significant (\$600,000 and \$287,500).

Table 6. Business Characteristics of GE Firms by Gender

Business Characteristics	Women	Men
% in Green Economy	39.7%	46.5%
Longevity (median)	15 years	14 years
Longevity (mean)	16.1 years	16.6 years
Revenue in 2007 (median)	\$175,000	\$600,000
Revenue in 2007 (mean)	\$2,403,935	\$7,695,306
Number of full-time employees (median)	3	4
Number of full-time employees (mean)	7.6	13.6
Number of part-time employees (median)	1	1
Number of part-time employees (mean)	5.3	4.4
% Revenue from GE (median)	30.0%	20.0%
% Revenue from GE (mean)	35.7%	33.3%

The Challenges of MWBEs

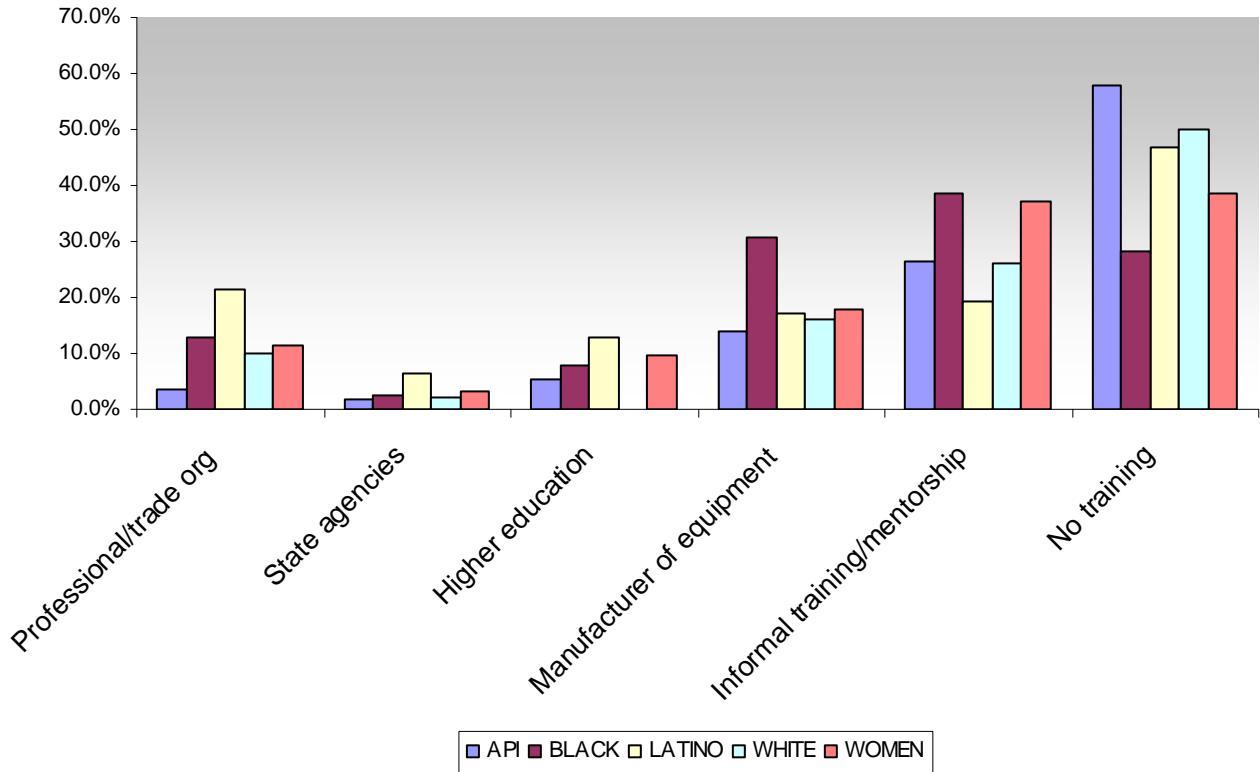
In examining the challenges faced by MWBEs, it is instructive to examine the types of assistance received by each of the groups.

Asian/Pacific Islander businesses were the least likely to have received green-specific training. Latino business owners were most likely to have received training from professional or trade organizations and institutions of higher

education. African American business owners were most likely to have received training from informal networks and from manufacturers. The findings were similar for business development training among all these groups.

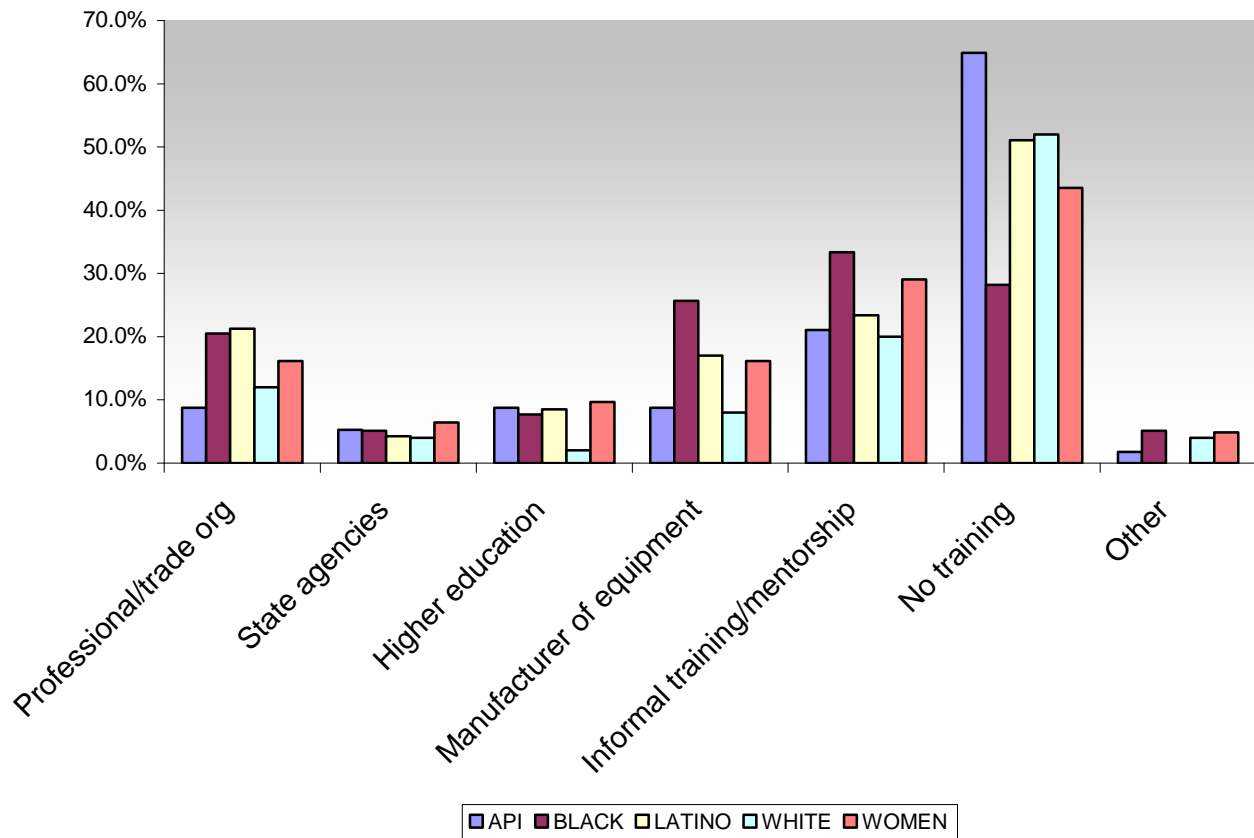
Compared with male-owned businesses, for green-specific training, more women-owned businesses were likely to have received some training (38.7% of women-owned businesses said that they received no training, compared with 51.5% for male-owned businesses). In addition, more women-owned businesses reported that they relied on informal mentorship (32.3% compared with 19.8% for male-owned businesses). The pattern was similar for business and management training.

Figure 5. Green-specific Training Received, by Demographic Characteristics⁷



⁷ Respondents were able to select more than one option. Hence, the percentages for each group may add up to greater than 100%.

Figure 6. Business, Management, and Marketing Training Received, by Demographic Characteristic⁸



Beyond differences across groups, two observations are key, regarding training received by GE business owners.

First, whether it was for technical green-specific training or general business and managerial training, few business owners received formal training from state agencies and institutions of higher education. Interviews suggest that the reasons may simply be that 1) there are few assistance programs for businesses that are beyond the start-up stage and are striving to grow and 2) the assistance programs entail too many bureaucratic requirements. One interviewer stated about some of those state agencies: “The OMWBE [(Office of Minority and Women’s Business Enterprises)] put out training but it was not effective for me. I’ve worked with the Department of Ecology before. The intent is good, but the bureaucracy is unbelievable. There were very inexperienced people making very big decisions.” Another stated, “If you’re a company that is somewhat established, you’ve already surpassed what the SBA (Small Business Administration) can offer you,” while another suggested, “I would like to see

⁸ Respondents were able to select more than one option. Hence, the percentages for each group may add up to greater than 100%.

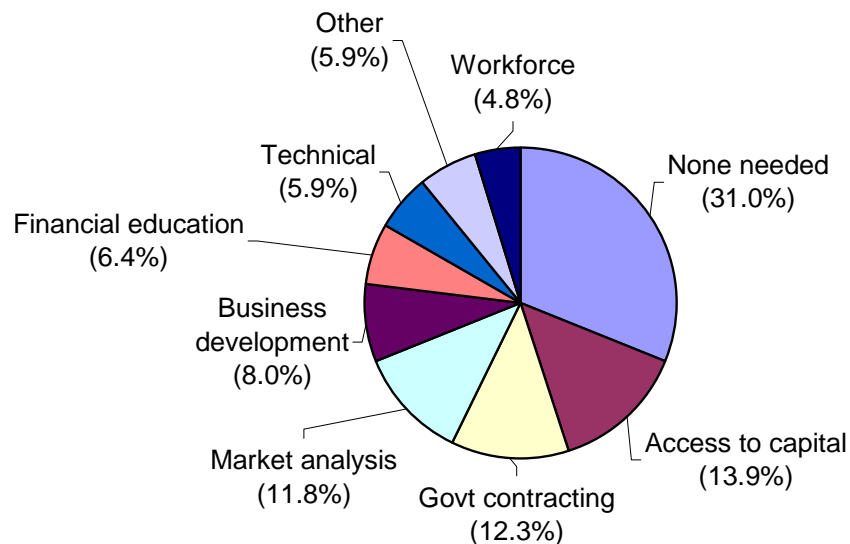
more active engagement, more cohesive programs for companies like us [growth-oriented]. There doesn't seem to be as much transparency for big opportunities and support for initial bumps. If you're a small business, by the very processes that they require, you can't get there."

Second, all groups engage in substantial amount of training or "learning" through informal means. This suggests that better networking and mentorship opportunities should be explored. As one business owner stated, "Access to networks that are already involved in the [green] movement is also an issue. There are already networks that are heavily involved; I don't see a lot of minority businesses and small businesses. You kind of have to get into those networks to even know where the resources may be."

The Future of the Green Economy

What kind of assistance would enable GE firms to expand their participation in the Green Economy? Thirty-one percent stated that they did not need assistance. The top three types of assistance identified were accessing capital, assistance with government contracting and market analysis. There was virtually no difference between the demographic groups in their reporting of assistance needs.

Figure 7. Types of Assistance Needed for Expansion of Green Products/Services



In planning for the future of the Green Economy, it is also useful to examine the perceptions and projections of non-GE business owners.

The majority of non-GE businesses were optimistic about the movement towards environmental protection and energy security had a positive impact on the overall economy (31.5% stated that the impact would be strongly positive, 43.6% stated that it would be somewhat positive, 9.9% thought that it would have no influence). Similarly, 30.4% of the non-GE business owners believed that it would create many business opportunities while 54.3% believed that it would create some business opportunities.

Despite the optimism expressed by non-GE firm owners, only 8.1% thought that it was likely or highly likely that they would develop or sell green products or services in the next 12 months. Twelve percent of the business owners were neutral about developing or selling green products or services in the next 12 months while 21.5% said this was unlikely and 58.4% said this was highly unlikely. We also found that 66.7% of the business owners believed that the greatest barrier to incorporating green products is that they are not relevant to their businesses.

Given our finding that most industries are equally represented in GE and non-GE groups, we believe that this sentiment is based on lack of knowledge of how existing lines of products and services can be expanded to include green products. This is accentuated by the relative isolation of non-GE business owners from GE business owners – the majority of non-GE business owners (67.7%) reported that they interacted with GE business owners every six months or less frequently. In fact, 26.6% of non-GE business owners said they never interacted with a GE business owner.

The good news is that 58% of the business owners said that they were somewhat or very interested in learning more about green products/services and sustainability (20.7% not interested), and 46.1% said that they were likely or highly likely to actively seek more information (28.5% said unlikely or highly unlikely).

STRATEGY AND POLICY RECOMMENDATIONS

The Green Economy, by all accounts, is here to stay. Once a niche market geared towards a few affluent, die-hard converts, the market for green products and services is increasingly becoming a mainstream one in which becoming green is not a matter of choice but of necessity. Consider the re-birth of Wal-Mart, for example. Once the anti-hero in the environmental movement, Wal-Mart, a giant discount megastore targeting Middle America with a revenue of over \$380 billion in 2007, has now emerged as leader in sustainability, vowing to use 100% alternative energy to power its stores and releasing a national ad campaign to promote environmentally friendly products like light bulbs and organic cotton. The Green Economy and the transition to green products and services are not a train that MWBEs can afford to miss.

Our research has shown that while minority-owned businesses are not under-represented in the Green Economy, within the Green Economy, there are some critical differences between the groups of businesses. Most critically, African American and Latino businesses tend to be smaller in size (measured as number of employees) and earn less revenue than Asian/Pacific Islander and white businesses, even though there are no significant differences in terms of percentage of revenues derived from green products and services. Women-owned businesses are similarly lower in revenue and in number of employees. This means that there are likely structural and social barriers for even the most adaptive and innovative minority businesses in the economy that prevent them from growing as effectively as Asian/Pacific Islander and White firms.

Based on our research, we recommend the following policy and program initiatives to ensure the survival and growth of Washington's MWBEs. Given the overlapping interests of small business in general and MWBEs, we also include general recommendations for the thriving of small businesses.

Program initiatives

Create a level playing field for MWBEs and small businesses

Mandates, codes and policies are likely to become more forceful and detailed in response to public and environmental pressures. While this may be intended to add clarity, interpreting and documenting adherence to these rules may add to the burden of being a small business. In our study, we found that business owners fear that they will be “greened” out of business because they do not have the time or the resources to navigate through hundreds of pages of increasingly technical and complex codes and mandates. This is particularly the case for minority business owners whose dominant languages are not English and who tend to have fewer employees than the average small business. A further unfavorable outcome is that navigating through these rules leaves these business

owners with little time to develop long-term competitive strategies. Hence, we recommend two initiatives to assist MWBEs and small businesses and to offset the disproportionate expenditure of resources by MWBEs and small businesses in competing in the Green Economy.

1. Appoint a point person in the suggested GE office of CTED to assist MWBEs and small businesses in interpreting, understanding and responding to mandates, codes and policies relevant to the Green Economy. While we agree that public policies strengthening codes and mandates may spur economic activity in certain sectors of the Green Economy, we also advise caution in ensuring that this will not be at the expense of small, resource-poor businesses that form the bulk of our community. The respondents in our study pointed to the Green Building Coordinator, housed in the Department of Ecology, as an example of such a point person.
2. To offset the disproportionate expenditure of resources by MWBEs and small businesses in competing for Green Economy, we further recommend an initiative to level the playing field in competitive bids for public contracts. One option is for the Legislature to adopt a policy of having businesses of similar sizes compete against each other. For example, if a contract is for a \$500,000 project, competition could be limited to firms with revenues of less than \$5 million. This way, smaller firms will not be competing against much larger firms and the state can also then directly participate in efforts to grow businesses.

Promote and facilitate rigorous outreach to MWBEs by support organizations

Women and minorities are underrepresented in Washington's economy, and even those, specifically Black and Latino businesses, who are currently participating in the Green Economy are smaller and generate fewer revenues than other businesses. This suggests that 1) minority businesses clearly need assistance in operating and growing businesses and 2) minority businesses are not accessing desirable contracts in the Green Economy. In accordance with these findings, our interviews with business owners and support service organizations suggest that they are underrepresented as clients of business service organizations and as participants at Green Economy workshops and events.

We recommend rigorous outreach efforts on the part of support organizations to increase the diversity of their clientele. To effectively outreach to MWBEs, we recommend that all state government entities submit a written outreach and marketing plan about Green Economy opportunities and support services for approval by OMWBE or another executive branch department. To monitor the impact of outreach efforts, we strongly recommend that support organizations record, track and evaluate the changes in the composition of their clientele. Furthermore, we recommend that any private company or nonprofit agency with

whom state agencies contract related to the Green Economy be required to submit an outreach plan targeting MWBE firms prior to being awarded the contract.

Create an online forum for MWBEs and Small Businesses to collaborate, knowledge share, and jointly bid on large contracts

An online forum may alleviate two common barriers faced by MWBEs and small business owners who are attempting to participate in the Green Economy – 1) the high cost of acquiring technology, materials and knowledge to go green and the difficulty experienced by individual small businesses in winning bids on large contracts. The smaller revenue and firm sizes of some minority groups suggest that these challenges may be magnified for minority businesses.

During the course of this research, numerous stakeholders – both business owners and representatives from support service organizations – emphasized that any program designed to increase a firm’s ability to adapt to a new environment (in this case, the Green Economy) must highlight the “softer” side of business, such as networking. Networking, as a broad spectrum of business research has shown, can cut down on individual business costs when businesses share the expenses of equipment, research and development, manufacturing, or marketing. Furthermore, as business networks deepen and trust is built, efficiency is created when each party can anticipate the needs of the other. Networks also decrease the learning costs of a business as knowledge gets transferred from one firms to another.

The challenge in networking, of course, is that it takes time. While “virtual” interactions can hardly replace face-to-face meetings, we believe that it offers a convenient medium for MWBEs and other small business owners to find potential partners for potential joint-bidding, collaboration and information-sharing. To further facilitate partnerships and collaboration, we recommend the development of a well thought-out, automated “match-making” engine based on business characteristics. Finally, we recommend that efforts to promote the site include a written plan to reach MWBE firms, to be approved by the OMWBE or another executive branch office.

Develop a framework for identifying Green Economy MWBE “gazelles”; Create assistance programs tailored for their expansion and growth

Many small companies succeed in providing good income and comfortable living for a few. High potential companies that become “gazelles”⁹ can provide good income and comfortable living to entire communities. Companies that strive to maintain themselves (i.e., survive) have different needs than companies that

⁹ The term “gazelle” was first used to describe high growth firms, by David Birch, a researcher studying business growth at Cognetics, to differentiate them from Main Street “mice” and Wall Street “elephants.”

strive to grow. Our study suggests that MWBEs and other small businesses that are attempting to grow are in a bind, whereby there are few training programs suitable to assist in growth. While most current small business support organizations are successful at helping businesses **start**, our interviews with business owners found them less helpful when attempting to grow their businesses. Several business owners noted that upon visiting one of these agencies, they were told that if they have been in business for several years (which these businesses had), they have reached a stage beyond the help of the agencies. Similarly, many executive education programs offered by large business schools are geared towards managers of larger corporations, who generally have different concerns than small business owners.

There is a growing set of resources available from the Foster School of Business at the University of Washington and its network of higher education institutions that actively work with growth-oriented minority- and women-owned businesses. Similarly, a number of Community Development Financial Institutions serve this business sector. Yet, there is little connection between these organizations and efforts by state agencies to support the growth of GE focused minority- and women-owned firms. CTED and other state government agencies need to develop a new set of partnerships with organizations that provide appropriate consulting and management education services for growth-oriented companies.

We suggest that a framework be developed to identify Washington's own MWBE gazelles in the Green Economy, who can then participate in the two suggested programs below. An appropriate starting point in developing such a framework for Washington's own MWBE gazelles may be to adopt or modify the definition of a "gazelle." Gazelles are defined commonly as companies that generate a 20% yearly increase in revenue over four years, starting with a base revenue of \$100,000. According to research conducted by David Birch, who began the use of the term "gazelle" to describe high growth firms, about one in sixteen companies in the U.S. meet the criteria for a gazelle.

Upon selection of gazelles, we recommend a two- fold approach for nurturing high potential MWBEs.

1. Develop a formal mentorship program. Given that most business learning occurs through informal networks and that people tend to naturally associate with others with similar characteristics, we recommend a minority mentorship program linking successful GE minority and women business owners with newly starting or transitioning ones. To best utilize the efforts of mentors, we recommend a rigorous selection process for MWBEs interested in taking advantage of the program.
2. Tailor a high-growth MWBE assistance program. Our research suggests that business owners who may qualify as gazelles often need training in overall growth strategy development, employee management, financial modeling, market research and developing global business networks. We recommend that the Legislature either set up a competitive process in which state universities compete to offer the courses or work closely with The Michael G. Foster School of Business to sponsor and customize an

executive education program for small but fast-growing MWBEs in the Green Economy.

Some appropriate entities for the development and management of these programs may be CTED, OMWBE or the University of Washington Foster School of Business.

Simplify and reform the certification process for MWBEs

Washington State is fortunate to have a state-funded agency – the Office of Minority and Women’s Business Enterprises (OMWBE) – which strives to increase the representation of historically disadvantaged contractors in projects involving the state, local agencies and schools. Given that many of the large Green Economy projects involve these same entities, getting certified and being hired as contractors on these projects offer a pathway for MWBEs to enter or increase their participation the Green Economy. This is especially the case because of current state-wide efforts to incorporate green building principles in constructing and renovating major facilities used by state agencies, public higher education institutions and local school districts; green building lends itself to participation by construction, wholesale and consulting services businesses, where minority businesses are concentrated.

In addition to entree into opportunities in some sectors of the Green Economy, certified MWBEs are granted access to the Linked Deposit Program, which enables business owners who meet financing criteria to obtain loans at a discount rate (not to exceed 2%).

However, our research suggests that the OMWBE is being underutilized. While a rigorous application process is necessary, our research suggests that the process of applying for certification has become an obstacle to the usefulness of the agency. For example, our interviewees informed us that it is not uncommon for business owners to spend in excess of 30 hours on an application, only to wait over a year to receive a reply from the agency. The taxing process not only takes away time form daily business operations but also discourages business owners from taking advantage of the Linked Deposit Program as well as the various training opportunities offered by the agency. Likewise, a number of companies that do operate in the Green Economy are too large to be certified by the state. We recommend that OMWBE remove the revenue size limits for certifiable firms and develop a reciprocal agreement with the US Small Business Administration and the Northwest Minority Business Council that would allow a firm certified by one of these agencies to be certified by OMWBE.

We recommend that the agency simplify and reform the application procedure so that more qualified businesses may benefit from its activities.

Broaden the mandate of the Office of Minority and Women's Business Enterprises

While the OMWBE was created to facilitate the hiring of MWBEs in state contracts, the clientele that it is mandated to serve makes up small fraction of MWBEs in Washington. The directory of certified firms contain just over 2,000 firms, when there are 49,275 minority¹⁰ and 158,881 women-owned firms¹¹ in Washington State. While hardly all MWBEs will be interested in becoming certified, nor should they be, our research shows that all MWBEs can, to a greater or lesser degree, participate in the Green Economy. We urge the Legislature to broaden the OMWBE's mandate and its staff to take a more active leadership role in MWBE participation into the Green Economy. Two key roles that we see the expanded OMWBE playing are:

1. Educating MWBEs about the potential of the Green Economy. Virtually any MWBE in any industry can begin marketing and selling green products or services. The fact that non-GE firms indicated that the Green Economy is not relevant to their business when GE firms operate in the same industries suggest a lack of awareness of the broad potential of the Green Economy.
2. Reviewing and approving MWBE outreach plans by environmental, economic and business support organizations.

Host a state-wide minority Green Economy Conference

Environmentalism has historically excluded communities of color. This unfortunate historical artifact has two negative consequences: 1) minorities are less likely to see the Green Economy as relevant to them and 2) there are few minority-owned businesses that are visible as successful role models in the Green Economy for MWBEs. In collaboration with the various Chambers of Commerce in and universities in Washington, we recommend a state-wide conference on the Green Economy to educate, inspire and connect minority business owners.

The Los Angeles Black Chamber of Commerce hosted its first Green Economy conference in August, 2008. One of the authors of this report was able to attend this conference and to gauge its program and to conduct an initial assessment of the event. Along with basic information sessions on what is entailed in the Green Economy and panel sessions with highly successful minority GE business owners, there was ample opportunity, both informal and formal (as 10-minute match-making sessions arranged by Chamber staff). Informal interviews with participants of this conference suggested that 1) the conference was a highly useful step in entering the Green Economy whether by incorporating green products and services into existing businesses or by creating a GE start-up and 2)

¹⁰ Source: U.S. Department of Commerce.

¹¹ Source: Center for Women's Business Research.

they intended to explore connections developed through the conference for possible collaboration in the Green Economy.

A final recommendation: Create a Green Economy Unit

Our final recommendation is based on our observation during the course of this research. There is a great deal of enthusiasm and energy around the Green Economy. We suggest the creation of a Green Economy Unit within the CTED or another agency to channel and develop the myriad of activities stemming from this excitement. We see the Green Economy Unit taking the lead on three initiatives:

1. Ironically, the excitement over the Green Economy has generated an overwhelming volume of seminars, workshops, events and activities that are difficult to track and take advantage of. We therefore strongly recommend that the Green Economy Unit funnel this vast array of information then channel relevant information to various appropriate outlets (Chambers of Commerce including ethnic chambers, business assistance centers, and regional media including ethnic media) to increase business interest in and knowledge relevant to participating in the Green Economy.
2. To support Washington's small businesses in their participation in the Green Economy, we must first know how they are doing. This report is a start, but it is critical to continue to monitor, on a biannual basis, the participation of small businesses and MWBEs in particular in the Green Economy. We also recommend commissioning a national study to compare the participation rates and experiences of small business owners across states to uncover the impact of state policy and program initiatives on small business participation in the Green Economy.
3. To help businesses finance their entry into the Green Economy, we recommend a feasibility study of a public-private Green Economy Community Investment Fund. Because bank lending practices tend to exclude small firms based on their cash flow and debt-to-assets ratio, small businesses grow very slowly, if at all. We suggest that the newly created Green Economy Unit explore the possibility of an innovative fund with a triple bottom line objective (financial returns, environmental protection/energy security and community development). The funds provided to small businesses, when leveraged, can have multiplicative impact on the ability of small businesses to adapt and thrive in the Green Economy. One option is to partner with an existing Community Development Financial Institution such as Community Capital Development or Shorebank Enterprise Cascadia.

Examples of Community Development Venture Capital Funds

SJF Ventures in North Carolina

- First fund in 1999, \$17 million; second fund in 2007, \$28 million
- Partnered with non-profit that offers technical and financial assistance and counseling
- Investment criteria: “Require \$1 million to \$5 million in equity financing to produce rapid expansion; Offer compelling solutions to urgent problems in large markets; Generate rapidly growing sales, typically already greater than \$1 million per year; Represent management teams with deep domain expertise in their respective industries and a commitment to positively impact the world.” (SJF website)

CEI Community Ventures in Maine

- First fund in 1996, \$5.5 million; second fund in 2001, \$20 million
- Organized as a wholly-owned subsidiary of their technical assistance non-profit.
- Investment target: “\$750,000 in a range from \$500,000 to \$2 million. We anticipate exiting each portfolio company at appreciated multiples within 5 to 7 years. Each fund portfolio is diversified by business stage, industry, geography and social benefit.” (CEI Ventures website)

Pacific Community Ventures in California

- First fund in 2001, \$6.25 million; second fund in 2003, \$13.2 million; third fund in 2007, \$40 million
- Investment goals: 1 to 5 million in a company in the southern California region.
- Main areas of focus: Food products/distribution; non capital-intensive manufacturing; and green growth sectors (alternative energy, health & wellness); education.

From White Paper provided by Shaula Massena

Measurable outcomes

The representatives from the various support organizations and economic development agencies agreed on one thing about policies: They need measurable outcomes. We recommend that upon enacting the initiative recommend above, progress may be tracked by measuring the following outcomes through annual reports to the legislature by agencies involved in growing Washington’s green economy:

1. Increased numbers of new participants, especially MWBEs at workshops, seminars and other Green Economy events. This leads to innovative methods of incorporating green products and services into existing businesses. Data collected must include opportunities to voluntarily report the race/ethnicity and gender of each participant as a means of ensuring that all sectors of the business community are served.
2. Increased enrollment in Green Economy courses at community and vocational colleges. This leads to high skill workers and to more productive, more effective businesses. Data that includes voluntary reporting of race/ethnicity and gender of student enrollment will ensure that all communities are being served by these programs.
3. Increased numbers in joint bidding for contracts with state agencies including colleges and universities. This leads to increased likelihood of winning contracts, shared expenses, economies of scale, and experience for future contracts. Data collected must include opportunities to voluntarily report the race/ethnicity and gender of each participant as a means of ensuring that all sectors of the business community are served.
4. The creation of and enrollment in programs to support the growth of Green Economy “gazelle” businesses. Data collected must include opportunities to voluntarily report the race/ethnicity and gender of each participant as a means of ensuring that all sectors of the business community are served.

CONCLUSION

Our study showed that every business can be a part of the Green Economy and that participation in the Green Economy is no longer a choice but a necessity if a business is to survive. We have also revealed several differences in the characteristics across race/ethnicity and gender among GE business owners and have recommended initiatives to foster the successful and fruitful participation of MWBEs in the Green Economy.

We end this report with some caveats and cautious optimism.

No matter the policy, businesses, in the end, cannot grow or survive without continued demand of their products and services. Along with the initiatives recommended in this report, we urge the Legislature to continue to support the education and engagement of the public in issues pertaining to the Green Economy and to promote the development of innovative financing options so that more consumers are able to make “green” choices. Prior efforts across the US such as free home energy audits failed to translate into increased consumer purchases of green products due to the relatively higher cost of the initial purchase. There are encouraging developments emerging that show that if there is supportive financing for the initial acquisition of green products, consumers will purchase more of them.

Similarly, newly created “green jobs” cannot be filled without interest from job seekers. During our research, we discovered that a number of Community College courses geared toward training students for “green jobs” were cancelled due to poor enrollment. Our interviews suggest that increased exposure to the Green Economy and the career potential of green jobs are critical to developing a workforce that can meet the demands of an increasingly green economy. To this end, we recommend the engagement of youths in the Green Economy early in their schooling, in middle or high school.

In the course of our research, we also witnessed many unused resources and opportunities which could, when properly utilized, generate new and better understanding of businesses in the Green Economy. For example, while most business support organizations collect information from their clients and track their performance to a greater or lesser degree, there is little collaboration between the organizations to coordinate and pool their data together for a broader look at small business performance in the economy. We recommend that every effort be made to compile a comprehensive database of small business activity from diverse sources (e.g., business support organizations, lenders, trade/professional associations, and institutions of higher education) to monitor trends and changes in the Green Economy.

Appendix A: Interview questions

1. BUSINESS BACKGROUND

- What percentage of your business is in the following markets? Local, state-wide, international
- What percentage of your business is in the following? Retail, wholesale, business to business, state
- How do you normally secure customers? What are some challenges you encounter in securing customers?
- What marketing/advertising strategies do you use?
- What percentage of your revenue is profit?
- Do you consider your business to be part of the Green Economy?
___ Yes ___ No

IF “YES”: CONTINUE

- About what percentage of the products and services you offer is green? _____
- What are some specific products and services that you use and offer to customers that make your company part of the Green Economy?
- How did you come to offer/use green products and services? (e.g., client request, access to technology, market development, policy, competition etc.)
- How did the incorporation of green products and services affect your revenues/profit? (try to get percentage increase, etc.)

2. FINANCING

- How is your ability to offer/use green products and services affected by access to capital?
- What kind of personal financial investment have you and/or your family made in your business?
- What kind of external financing have you received? From what sources?
- Are you planning on seeking additional financing? From what sources?
- What are some challenges, if any, you encountered/anticipate in obtaining financing?

3. HUMAN RESOURCES

- How is your ability to offer/use green products and services affected by human resources?
- How do you normally recruit your employees? (e.g., through referrals, ads, etc.)
- What kind of training do you expect from your employees? What kind of training do you provide?
- What are some challenges, if any, that you encountered in hiring employees?

4. EDUCATION/TRAINING

- How is your ability to offer/use green products and services affected by your own education and training?
- What kind of education/training have you received?
- What area would you like to receive additional training in?
- What are some challenges, if any, you encountered in receiving training?

5. TECHNOLOGY/PHYSICAL INFRASTRUCTURE

- How is your ability to offer/use green products and services affected by technology or physical infrastructure?
 - a. Equipment
 - b. Communication
 - c. Transportation
 - d. R&D

6. ORGANIZATIONAL MEMBERSHIP/MENTORSHIP

- How is your ability to offer/use green products and services affected by the organizations you belong to, if any, and/or the mentorship you receive, if any.
- Which trade organizations do you belong to? What services do these organizations provide?
- Do you have anyone you would consider a mentor in running your business? Where did you initially come in contact with this person (e.g., personal connection, referral, mentorship program)? How does this person assist you?
- What are some challenges you encountered with trade organizations or obtaining mentorship?
- How could trade organizations better serve you?

7. PUBLIC POLICY

- How is your ability to offer/use green products and services affected by public policies (e.g., taxes, codes and standards, government incentives and subsidies, etc.)?
- What are specific examples of policies that affected you? On your industry?
- Have you used the state's trade, business assistance, or economic development services? If so, which?
- Are there specific services or activities you would like to see the state provide?

8. GENERAL

- What are your goals for your business in the next year?
- What are your general sentiments regarding the prospects of your business?
- What do you anticipate will be barriers in the future of your business in the Green Economy?
- What do you anticipate will be opportunities in the future of your business in the Green Economy?

Appendix B: Consultations/interviews with government and support services agencies

Name	Organization
Bill McSherry	Puget Sound Regional Council
Brett Rogers	WA Small Business Development Center
Dave Young	WA Small Business Development Center
David Allen	McKinstry
Eric Schinfeld	Puget Sound Regional Council
George Northcroft	King County Office of Economic Development
Jim Thomas	Community Capital Development
John Berdes	Shorebank Enterprise Cascadia
Joseph Hauth	South Seattle Community College
Juliet Scarpa	Seattle Jobs Initiative
Kehpra Ptah	Got Green (community outreach)
Matthew Houghton	Seattle Office of Economic Development
Michael Woo	LELO (Legacy of Leadership, Equality and Organizing -- an advocacy group for United Construction Workers, United Cannery Workers, United Farm Workers)
Molly Baxter	South Seattle Community College
Rachael Jamieson	Department of Ecology, Green Building Coordinator
Sharon Tomiko Santos	House Representative
Steve Gerritson	enterpriseSeattle
Sue Taoka	Shorebank Enterprise Cascadia
Steve Gerritson	enterpriseSeattle (clean tech program)
Tom Flavin	enterpriseSeattle

Appendix C: Survey questions

Our Green Economy questions were “piggy-backed” onto a wave of an on-going longitudinal study. The on-going portion contained business background questions which were used to analyze the Green Economy questions. The following lists the Green Economy questions¹².

The respondents were read the following statement regarding “green”:

We are using a very broad definition of “green,” and for this survey, a green product or service means that it promotes environmental protection and the ability to secure energy. Some examples are: waste management/reuse, environmental remediation, green building, and alternative and renewable energy. “Green” can be a matter of degree, and participation in a Green Economy can be applied to existing sectors, industries and activities as well as to their supporting services.

All questions but the first were close-ended (respondents selected an answer using one of the options provided by the survey).

1. About what percentage of your firm’s revenue has come from the sale of green products or services in the last three months (or do you want to ask about last quarter)? _____ (specify)

If 0, SKIP TO Q11.

If ANSWER>0, CONTINUE.

2. How has selling green products or services affected your **revenue**, compared with before you started selling these products/services?
3. How **profitable** are green products/services, compared with non-green products/services?
4. Why did you start offering and selling green products or services?
5. Do you expect your sale of green products or services to increase, decrease or stay the same in the next three months?
6. Do you expect your sale of green products or services to increase, decrease or stay the same in the next twelve months?
7. What kind of training specific to green products or services have you received? (More than one choice possible)

¹² For a complete survey questionnaire, including longitudinal questions and options for each question, please contact the authors.

8. What kind of **business/marketing/managerial** training relevant to green products or services have you received? (More than one choice possible)
9. What do you believe is the single greatest barrier to selling and profiting from green products/services?
10. What kind of additional assistance would you find the **most** beneficial in expanding your sale of green products or services?

END OF GREEN ECONOMY QUESTIONS FOR Q1>0.

11. How likely is it that your firm will develop/sell green products or services in the next three months?
12. How likely is it that your firm will develop/sell green products or services in the next twelve months?
13. How familiar are you with “green” sectors, industries and activities?
14. How frequently do you engage in transactions with businesses that offer “green” products and services?
15. What kind of impact do you expect a movement towards sustainability and green products/services to have on the over the economy?
16. What kind of impact do you expect a movement towards sustainability and green products/services to have on the future of your particular business?
17. To what extent do you believe that a movement towards sustainability and green products/services will create new business opportunities?
18. What do you believe is the single greatest barrier to your business’s participation in selling green products/services?
19. How interested are you in learning more about sustainability and green products/services?
20. How likely are you to actively seek more information about sustainability and green products/services in the next twelve months?

Appendix D: Washington's counties by region

Region	Counties
Northeast	Chelan, Douglas, Ferry, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens
Northwest	Island, San Juan, Skagit, Whatcom
Olympic Peninsula	Clallam, Grays Harbor, Jefferson, Mason
Puget Sound	King, Kitsap, Pierce, Snohomish, Thurston
Southeast	Adams, Asotin, Benton, Columbia, Franklin, Garfield, Grant, Kittias, Klickitat, Whitman, Walla-Walla, Yakima
Southwest	Clark, Cowlitz, Lewis, Pacific, Skamania, Wahkiakum

About the UW Business and Economic Development Center

Since 1995, the Business and Economic Development Center (BEDC) has linked students, faculty, and staff from the University of Washington Foster School of Business with a racially and ethnically diverse business and nonprofit community to expand students' knowledge and skills, to help small businesses grow, to create and retain jobs, to stimulate innovative economic development research, and to open educational opportunities for underrepresented minority students.

Small Business Program

The BEDC supports business growth by improving management skills in targeted Washington communities through a number of programs:

- Business Assistance Program provides intensive business consulting by students working with Seattle Rotary Club mentors. The BEDC has helped create more than 900 jobs and added more than \$55 million in revenue for client firms.
- Minority Business of the Year Awards Program recognizes Washington's largest and fastest growing minority-owned businesses and awards scholarships to underrepresented minority students at the Foster School of Business.
- Minority CEO Seminars are offered throughout Washington for CEOs of the state's largest and fastest growing minority-owned businesses.

Community Development Programs

Board Fellows Program places MBA students to serve on nonprofit Boards of Directors in a program that simultaneously teaches MBAs about governance and strategic decision-making while assisting organizations gain access to new ideas and innovative strategies. Summer Internship Program places graduate and undergraduate students with tribal enterprises and small contractors for paid internship positions each summer.

Research

Diversity in Business Research is conducted by BEDC faculty, who comprise the nation's largest group of faculty focused on this type of research. Faculty are drawn from Finance, Marketing, Management, Entrepreneurship, HRM, and Information Systems. The group holds a biannual diversity conference which draws key researchers from across the U.S., publishes the semi-annual Washington Minority Small Business Survey, and sponsors a variety of faculty research projects.

Scholarships

The BEDC has inaugurated scholarship programs to increase diversity at the Foster School of Business and reward students who work with the BEDC to support the growth of minority-owned businesses in Washington.

- Ernest I. J. Aguilar Endowed Scholarship
- African American Heritage Endowed MBA Scholarship.
- Association of Black Business Students Endowed Undergraduate Scholarship
- Asian/Pacific Islander Endowed Undergraduate Scholarship.
- BEDC Fellowships