

OKLAHOMA HOME-BASED BUSINESSES:  
REPRESENTATIVE CHARACTERISTICS,  
ECONOMIC IMPACT, EDUCATIONAL  
NEEDS

BY

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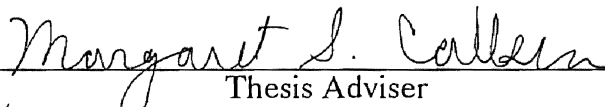
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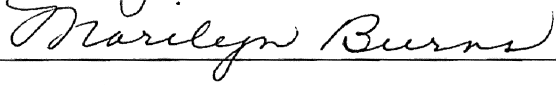
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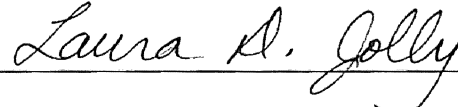
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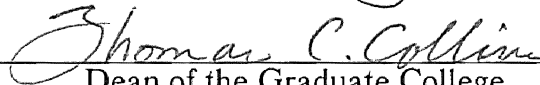
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## PREFACE

This study was undertaken to develop a profile of Oklahoma home-based businesses and Oklahoma home-based business owners. The study also assessed the economic impact of home-based businesses on the state's economy. The educational needs of home-based business owners were addressed in this study.

The format of this thesis deviates from the prescribed thesis format at Oklahoma State University. The format deviation was to create manuscripts suitable for publication as well as to complete requirements for the traditional thesis. Manuscripts were created for the *Journal of the Community Development Society* and the *Journal of Extension*.

I would like to express my sincere appreciation to Dr. Margaret Callsen for her patience and guidance during my studies at Oklahoma State University and during the writing of my thesis. I wish her the very best as she retires. A very special thanks to Dr. Marilyn Burns, who has provided a very challenging and educational work experience with the home-based business program as well as expert input into this study. I would also like to thank Dr. Laura Jolly for her suggestions and insights during the writing of this document. I am grateful to have had the opportunity to work with all of these individuals.

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## CHAPTER I

### INTRODUCTION

A re-emerging force began changing the American labor market in the 1970s, the appearance of home-based businesses. The shift to working from home reflects changes occurring on the American business scene and in society. Corporations are trimming down to smaller, leaner firms that operate faster and cheaper (Barlow, 1992). These corporations engage contract workers during peak business periods as well as to perform tasks that were formerly done "in house". Many of these contract workers are working from their homes. The number of working women with young children and the increase in self-employment help to make home-based work an attractive alternative to outside employment (Cetron & O'Toole, 1982; Kraut, 1988). The availability of personal computers, facsimile machines, and other advancements in technology have increased the opportunities for working from the home and brought the movement into focus. The Department of Labor has made changes to lift the restrictions on several types of home-based employment thus increasing opportunities to work at home.

The revival of home-based businesses is so strong that it is difficult to determine the actual number of Americans that work at home. It is difficult to compare work-at-home figures because studies and surveys have used different criteria to identify persons working at home. However, it is a general consensus among agencies and organizations concerned with the work at home movement that the number of persons who work in or from their homes is increasing (Atkinson, 1985; Brabec, 1990a). In 1980 the United States Census reported 2 million Americans with home-based businesses. In 1989, this work force was estimated at

26.6 million Americans by Link Resources, Corp., a New York based market research firm. This estimate was equivalent to 23 percent of the labor force and included persons who were self-employed, contract workers, free-lance workers, as well as persons who worked for a company and brought work home (Bacon, 1989). In 1988, Link Resources counted 6 million men and women who worked at home full-time (Knocke, 1988).

### Growth Projections

In 1989, it was estimated that the number of full-time and part-time home-based workers would reach 31 million by 1992 (Bacon, 1989; Edwards & Edwards, 1989) and reach 50 million workers by 1995 (Brabec, 1991). Sheedy (1990) states "Estimates suggest that by the year 2000, nearly 40% of the North American work force will operate from their homes". Brabec (1990c), a leader in the home-based business industry, estimates the growth rate of home-based businesses at one million per year while Edwards and Edwards (1989) state that "Between 1988 and 1989, over 4 million people began working at home for the first time . . ." (p. 38), and nearly 2 million persons were reported to have begun working at home during 1991. The variability in these estimates is the result of different parameters used by researchers. Some studies have counted all persons who bring any work home with them from an outside place of employment while other studies counted those persons who worked at least 8 hours or more per week at home. Attempts to obtain an accurate count of home-based workers have found a variety of work situations including full-time and part-time. Being able to work at home increases the growth of self-employment and multiple job holding (Pratt, 1986a).

### Home-Based Business Terminology

A variety of terms has evolved to describe persons who work from home. Telecommuter was a term coined by Jack Nilles in the 1970s. Telecommuter identifies those workers whose principle work is accomplished through the use of

technological advances such as computers, modems, and facsimile machines that are linked to a main office. Edwards and Edwards (1989) note that linkage to a main office may also be via telephone. Sheedy (1990) referred to the home-based business owner as a homepreneur. The term informal workers was used by Lozano (1989) to describe persons who provide labor for a company and are paid by the piece or job.

The work at home force is composed of two groups with different characteristics and concerns (Rowe, Stafford, & Owen, 1992). These workers include those who are wage earners and those who are home business owners. The wage earners work for an outside employer and in most situations are paid piece-rate. The business owners are responsible for all the business activities and usually produce a commodity or provide a specialized service.

Home-based businesses are not easy to define or characterize. Makela (1985) defined a home-based business as "Work or production that is done in or from the home that results in income. . ." (p. 1). Pratt (1986b) stated "A home-based business is an enterprise producing goods or services that is operated in or from the home" (p. E-1).

### Business Opportunities

The range of businesses and occupations which can be operated from the home is nearly limitless and includes more than the traditional home-based occupations (Oelschlaeger, 1988). Over 300 types of jobs have been identified as operational from the home (Pratt, 1986b). Many of these jobs are in the service sector. Edwards and Edwards (1989) developed a list of nearly 400 types of home-based businesses with over 100 of these businesses tied to the use of a personal computer. Studies by BIS Strategic Decisions found that financial services, computer-related services, and consulting account for nearly 30 percent of home work, craft manufacturing accounts for only 4 percent, retail sales for 11.8 percent, and

construction, health care, real estate, wholesaling, and educational and legal services make up the other 54.2 percent (Washer, 1993).

### Developments Influencing Revival

At the beginning of the revival of home-based work many persons were thought to work at home because they could not find another job (Bacon, 1989; Brabec, 1990a). But the need and desire to control one's life has influenced the work at home phenomenon (Lozano, 1989; Sheedy, 1990). People in their late 20s and early 30s are wanting to start a business of their own and find that operating a home-based business helps reduce overhead while getting started. The information economy has increased the need for service related businesses which are less expensive to set up and operate. The home serves as an incubator for these businesses. Women are starting businesses and find the home offers them the opportunity to combine family and work. In the 1980s many farm women sought home employment to help ease the financial burden on their families (Owen, Carsky, & Dolan, 1992). They have opted to join the growing number of entrepreneurs rather than leave the farm for low paying jobs. A home business is appealing to them because they don't have the extra expense of child care and commuting (Lofflin, 1988). The number of women entrepreneurs has been steadily increasing. Bacon (1989) states "Studies show that women now account for 70 percent of all home-based sole proprietorships" (p. 22). Operating a home-based business can provide the opportunity for disabled people to earn money and find self-fulfillment (Oelschlaeger, 1988).

### Reasons for Working at Home

An increase in service-oriented businesses, unstable economic conditions, high levels of unemployment, and a desire by persons to have control over their lives have increased the number of persons who chose to work in or from their homes (Brabec, 1990c; Christensen, 1988; Makela, 1985). Women tend to cite family reasons while

men cite being their own boss as reasons for working at home. In addition to caregiving and time control, Brabec (1990b) indicates that persons may also work from the home for personal satisfaction, increased self confidence, tax shelter, and reduction in cost of living expense due to commuting costs and wardrobe costs.

Whatever the reason or reasons for choosing to work from home, home-based work can benefit the individual, family, community, and society.

### Economic Reasons

Income generation is a principal consideration in deciding to work at home. Littrell, Stout, and Reilly (1991) found that craft producers who started home-based businesses for economic reasons were usually more successful than those who started because they enjoyed producing the craft. According to Brabec (1990b) if you start a home-based business "to earn a little extra money" that's all you will earn. A home-based business serves as a business incubator as it offers the opportunity to add to the family income or to start an independent business at a greatly reduced financial risk (Hewes, 1981). If the business does not develop or the owner cannot manage working from home the business can be closed. As large companies downsize their workforce the number of contingent or temporary workers increases. In 1988, these workers represented approximately one-quarter of the workforce. By the year 2000 they are expected to represent one-half of the workforce (Castro, 1993). These temporary workers are turning to starting and operating a home-based business as a way to stabilize their income. The number of self-employed persons, which includes home-based business owners, is projected to be growing at the rate of 500,000 a year (Brabec, 1990c). A home-based business can provide income generating opportunities for disabled people and people who have difficulties finding employment (Oelschlaeger, 1988).

### Family Reasons

Operating a business from the home gives flexibility to meet the needs of the family and the demands of the work. This group includes people who for various reasons may be unable to leave the home to obtain work because they are responsible for the care of young children, elderly adults, or disabled persons. These people also may not be able to get to a job site located away from the home. Beach (1985) found families with young children interrupted work to provide care for the children and those with school-age children spend time with the children upon their arrival home from school. These families were also able to care for sick children and attend daytime school activities with less interruption to family routine.

### Lifestyle Reasons

Home-based work is seen as a viable option by people who are tired of commuting and office pressures and who want more control over their life (Bacon, 1989; Feldstein, 1981). People who work at home have found they use time more creatively and productively (Farmanfarmaian, 1989). Home-based business provides a means of increasing the income of financially stressed farm families while allowing them to stay in their community and maintain their lifestyle. This retention of families helps maintain rural communities.

### Oklahoma Economic Influence

As Oklahoma enters 1993, financial institutions are more healthy than reported in the mid 1980s, but agriculture prices and oil and gas exploration and production are predicted to decline. Personal income in 1993 is projected to increase in Oklahoma, but the per capita income will be 82 percent of the national average. The increase in income and jobs is expected to come from the service sector (Oklahoma State University (OSU) College of Business Administration, 1993).

The deterioration of the economy in Oklahoma which began in the mid 1980s forced residents to seek alternative income sources. This deterioration was due in

part to the collapse of oil prices, low agriculture prices, and bank failures (OSU College of Business Administration, 1989; OSU Forecast, 1988). These factors contributed to unemployment and to the lack of job opportunities in Oklahoma.

A home-based business was one of the income alternatives selected by some residents. New products and services can be developed and evaluated while operating costs can be kept to a minimum (Pratt, 1986b). Businesses that do not succeed can be dropped while those that are successful can expand. As these successful businesses grow, owners can elect to move from the home to larger facilities or to control growth so that the business can still be operated from the home. Although a business started from the home helps reduce the financial risk factors involved in beginning a new business, without planning and preparation a home-based business may become a business failure statistic. Atkinson (1985) estimates that for every home-based business that reaches some degree of success 20 will not succeed. Most of the information available related to business success/failure rates are for small businesses. Statistics for small businesses show that 27% of all small businesses fail in 3 years or less; 55% of all small businesses fail in 5 years or less; and 82% of all small businesses fail in 10 years or less (Brabec, 1989). Brabec (1990c) states "My research suggests that the home business's back door swings almost as often as its front door . . ." (p. 10).

The reasons for failure of a home business are varied. Some owners who start a home business while continuing to work at an outside job may find they cannot handle the responsibility. Others become discouraged at the amount of time and hard work it takes to successfully market a product or service. It is difficult to note the number of home-based businesses that discontinue operation. Home business owners often fail to develop a business plan and lack business management skills. Poor management contributes to 95% of all small business failures according to the United States Small Business Administration (Brabec, 1989).

## Problem Statement

In 1985, the Oklahoma Cooperative Extension Service initiated the Home-Based Business Program to meet the needs of persons looking for replacement or supplemental family income. The program was to help persons develop skills, hobbies or ideas into profitable ventures (Burns et al., 1989). The home-based business program in Oklahoma has followed the "United States Department of Agriculture-Extension Service National Priority Initiatives--Revitalizing Rural America and Alternative Agriculture Opportunities" as a guide for developing program objectives. Seminars related to beginning and operating a home-based business were presented throughout the state. The response to these seminars indicated an interest in the home-based business program.

The problem to be addressed in this study was the need for specific data about home-based business owners and about home-based businesses in Oklahoma. This data provides a better understanding of the problems and needs of the home-based business clientele. It is used to assist in the development of educational materials and programs that address the problems and needs specific to home-based workers and business owners. The Oklahoma Cooperative Extension Service fills a void in entrepreneurial education by addressing the needs of these micro businesses.

## Purpose and Objectives

The purpose of this study was to investigate selected features of Oklahoma home-based business owners and of home-based businesses. The specific objectives of the study were to:

1. identify characteristics of Oklahoma home-based businesses.
2. identify demographic characteristics of Oklahoma home-based business owners.
3. assess the economic impact of Oklahoma home-based businesses through gross income generation.



4. assess the educational needs of Oklahoma home-based business owners.

#### Assumptions and Limitations

It was assumed that the responses received were representative of home-based businesses in Oklahoma. It was assumed that the respondents were home-based business owners or workers if they generated income from the home work regardless of the number of hours worked or if the income was total family income or supplemental income. The survey was limited in that all home-based businesses in Oklahoma have not been identified. Therefore, a random sample could not be generated. The survey served as an exploratory study to begin the identification of owners and businesses.

#### Hypothesis

The hypothesis to be tested in this study are:

H1: There is no significant relationship between information needed and the age, gender, formal education level, or years in business.

H2: There is no significant relationship between formal education level and sources of information and how home-based business skills were learned.

H3: There is no significant relationship between the gross income and the geographic location of the business, the years in business, gender, age, or business category.

#### Definition of Terms

The following terms are defined as they were used in the study.

Home-based workers or home worker - a broad group of people who simply work for income from their home. This general label includes those who might own their own businesses or those who do job-related activities as employees of a company or as independent contractors.

Home-based business owners - a subgroup of home-based workers that includes only those persons who actually own and operate a business in their home.

Entrepreneur - one who organizes, manages, and assumes the risks of a business or enterprise.

Telecommuters - a subgroup of home-based workers whose work is specialized in industries in which work can be accomplished and/or information transmitted through a computer system.

## CHAPTER II

### REVIEW OF LITERATURE

The study of home-based business and home-based workers began in the 1970s. Limited systematic research has been done to measure the contribution and impact of home-based businesses and home-based workers on families, communities, and society (Heck, 1987; Oelschlaeger, 1988; Pratt, 1986a). Wolfgram (1984) and Oelschlaeger (1988) suggest that home-based businesses have been grouped with other small businesses thus the impact on the American economy has been viewed as insignificant. A study by Pratt (1986b) was conducted to determine approaches to counting, describing, and measuring the contributions of home-based business. Pratt (1986b) noted that it is important to understand the unique features and to measure the economic impact of these businesses so as "to develop conditions and policies to encourage their vitality" (p. I-1). Attempts to study home-based workers and home-based businesses has brought to focus several issues. Pratt (1986a) summarized these issues as: (1) identifying home-based businesses, (2) establishing parameters that define a home-based business, (3) sampling the population, and (4) establishing the unit of analysis. This chapter will discuss contrasts of yesterday's and today's home workers, research issues, impact of home-based businesses, and estimates and projections of home-based businesses.

## Contrasts of Yesterday's and Today's Home Workers

Prior to the industrial revolution the home was a place of manufacturing. During that time income-producing activities were an extension of work already being done by the family in the home such as baking and laundry (Owen, Carsky, & Dolan, 1992). Excess food production was sold and women took in washing and ironing. Much of this early day home work could be accomplished without total concentration on the part of the worker. Therefore, workers were free to interact with children and others of the household while they worked. Although home business operations were never completely abandoned, they were less noticeable when the economy was industrialized and work moved to factories and office buildings (Pratt, 1986b).

Today the equipment used in home-based production often has little to offer for family use. Concentration on the business is required by many of the occupations being carried out at home. Income producing work has become more important to women's financial security as they have become less dependent upon men.

The work-at-home movement evolved as the information age, with its emphasis on the recording and transfer of information and the technology to telecommute, increased the opportunities for persons to choose this workstyle (Owen, et al., 1992). In 1971, Jack Nilles and associates conducted a feasibility study to determine whether it was more economical for a company to have employees work from a centralized location or to work from their homes. The researchers recommended the company provide electronic equipment to their employees to work at home (Atkinson, 1985; Nilles, Carlsin, Gray, & Hanneman, 1976).

### Research Issues

Surveys and studies of home-based workers must deal with the issues of identification, definition, sampling, and analysis. Kraut (1988) believes researchers should be concerned with the purposes for which the estimate will be used rather than which estimate is "correct". Kraut proposes that if information is being gathered

pertaining to the economic, social, or psychological impact of working at home on workers and their families, then researchers should be concerned with the number of hours spent in work at home. If the study is conducted to determine the need for equipment and services for home-based workers then he suggests distinguishing workers between those who do any work at home and those who do no work at home.

### Identification

Many different terms have been used for home-based work. Cottage industry was a term used early in the return to home-based employment and applied to work in areas such as women's apparel and accessories. As technology expanded and computers became more prevalent in homes, some workers chose to do all or part of their work from home and transmit data to their office. Telecommuting was the term coined to describe computer work done by a company employee at home that substitutes for the commute (Christensen, 1988). Other media terms used to label home-based workers have included: piecework, work-at-home, flexiplace, and homework. All these terms refer to paid work which is done in or from the home. Pratt (1986b) defined home-based work as "an enterprise producing goods or services that may be operated in or from the home" (p. E-1).

A problem for researchers is that some people who work at home do not want to reveal their work location (Kraut, 1988). Several factors are involved in this lack of disclosure. Income generation from home may not be reported to the Internal Revenue Service, some businesses may be in violation of local zoning ordinances, or some workers believe that disclosure may indicate disloyalty to their primary employer. Some homeworkers may not view themselves as part of this population if the work is not done for their primary employer. Some part-time workers may view their business as a hobby and respond negatively when asked if they work at home.

Researchers have also used the readership of selected magazines to study the number of home-based business workers. Christensen (1988) chose to use a

magazine survey to identify women home-workers. The survey was printed in *Family Circle* with a readership of approximately 19 million women who included homemakers, professionals, and clerical and managerial workers. Of the 14,000 respondents, 7,000 reported working at home. *Home Office Computing* staff members have annually surveyed the readers of their magazine to identify the number of readers that run a full-time home-based business, a part-time home-based business, and those that run a business that is not home-based (Espindle, 1991).

### Definition

Surveys have used different parameters to define home workers. Kraut (1988) has suggested four criteria to determine whether an individual is a home-based worker. These include: (1) the number of hours worked at home, (2) whether the work is the primary job, (3) if pay is received for the work, and (4) if the work is done in or from the home. Business owners represent only a portion of home-workers. These owners may be moonlighting employees and as the home business is not the primary job, these business owners may not be counted by some surveys. Christensen (1988) used home-based work and homework as synonymous terms in referring to any paid work done in the home. Horvath (1986) defined home-based workers as persons who worked at home at least 8 hours per week as part of their primary job, while other surveys do not count homeworkers who only work part time at home. A marketing study in 1982, by American Telephone and Telegraph (AT&T) estimated that 23 million individuals work at home. These individuals represented 26 percent of the U.S. labor force (Kraut, 1988). This study counted persons as homeworkers if they took work home from a full-time job or if they did volunteer work from their home, as well as those who worked for pay from their home (Pratt, 1986b).

A difficult problem in reconciling work at home estimates is that different phrasing of survey questions have tagged different subsets of the total work at home population (Pratt, 1986b). AT&T interviewed 1,853 Bell residence customers.

AT&T identified businesses operated from the home by response to the question "Do you have any income producing job or business that you do from home? This could be your main income-producing work or something you do in addition to another job or business." AT&T included job-at-home in the 23 million estimate. These were identified with responses to the following questions: "First, are you employed in an income-producing job outside the home?" and "Do you do any job-related work at home in connection with this employment?"

Horvath (1986) restricted the count of home-based work to those reporting working 8 hours a week at home as part or an extension of their primary job. This definition excludes those persons doing home-based work as a second job as well as those who may have multiple jobs. Selecting a subgroup from the 1984 Panel Study of Income Dynamics (Heck, 1987) identified home-based workers as employment in which workers do not travel to their place of employment or in which the amount of time varies.

The Cooperative Regional Research Project, NE-167 defined home-based work as working for pay at or from the home a minimum of 6 hours weekly through the year or 312 hours annually if the business was seasonal (Stafford, Winter, Duncan, & Genalo, 1992). Workers had to have been engaged in home-based work for at least 12 months prior to the study. As the researchers studied urban and rural areas it was determined to include farmers only if they engaged in "value-added" activities. Thus, farmers were included only if they processed or enhanced agriculture products to increase their monetary value.

In a study of home-work and family interface Beach (1988) states "What characterizes these families is not the allocation of time to either work or family but instead the flexibility of time as a responsive medium." (p. 25). Beach questions if current research tools and concepts need to be rethought before applying them to the study of home-work and families.

### Sampling

A variety of methods have been used by researchers to locate home-based workers. Beach (1985) interviewed 15 families which were identified using the snowball technique, a method in which home-based workers identify other home-based workers. Since Beach was studying family interactions when a business was operated from the home this study included families where at least one child had to live at home. The findings were reported using a case study format.

Several studies used convenience or purposive samples in which the subjects were selected because they met specific criteria or were easily accessible. Widney (1987) in a study of Oklahoma home-based sewing business owners compiled a list of business owners by enlisting the assistance of the Oklahoma Cooperative Extension Service Home Economists and using names provided by fabric shops in Oklahoma. Littrell, Stout & Reilly (1991) purposively chose 70 craftpersons in their study to profile successful and struggling crafts producers. Heck (1987) selected a subgroup of employed (or looking for work) men and women from the data base used for the 1984 Panel Study of Income Dynamics.

Researchers involved in the Cooperative Regional Research Project, NE-167 selected a stratified random sample from household telephone listings. Each of the nine states was divided into rural and urban strata with major metropolitan counties being excluded from this study.

### Analysis

When comparing findings of home-based business surveys and studies, the reader needs to identify the terminology used by the researcher. Some studies analyze findings using the number of business owners, others use business units, while others report the number of people who want to work at home.



Pratt (1986b) addressed this issue by stating:

"It is important to distinguish clearly between business operators and business units. A home-based business unit has a minimum of one worker, typically, its owner. It also may have family members and/or unrelated employees working in the home. Furthermore, anecdotal evidence suggests that the same home-based business' sole proprietor often operates several part-time activities and thus has more than one business unit. Therefore, a count of home business operators undercounts the number of home-based businesses" (p. I-2).

The undercount of home-based business units could result in an underdetermination of the gross income per business if the owner only reports income for one business unit.

### Impact of Home-Based Businesses

Home-based work has been viewed as providing benefits to the individual, the family, the community, and to society. In addition to counting the number of persons who work from home, researchers have studied the personal and economic impact that working at home has on the family. Articles in the popular press discuss the pros and cons of working from home as it relates to self fulfillment, family relationships, and community relations.

#### Impact on the Family

Home-based work is viewed as a way to enhance family relationships and financial security as it provides flexibility to meet work and family obligations. A 1990 survey by *Home Office Computing* (Stein & Espindle, 1991) found 90 percent of the respondents were better able to balance work and family since they started working from home and 80 percent reported that the overall impact on their family had been positive. It has been suggested that when a business is operated from the home family members share a sense of unity and accomplishment rarely found in other families (Oelschlaeger, 1988). However, combining a family and a business under one roof may present challenges including interruptions, cramped or inappropriate space, and lack of family support (Burns et al., 1989). Persons who work from home may find they feel isolated, lack discipline to complete work, and

feel distressed at the loss of benefits included with a job outside the home. Home-based entrepreneurs have an increased need to network with other home-based business owners and to develop working relations with other businesses in the community in order to control feelings of isolation. Resentment of the home business can develop if owners do not protect free time and separate business from family, (Oelschlaeger, 1988). Plans to operate a business from the home should be discussed with the family. This discussion should include the establishment of ground rules by which the business owner and family members can live. Housekeeping chores may need to be adjusted or delegated to all family members. Family members may feel that the business is an invasion into their private domain.

#### Impact on the Community

A home-based business also serves as a community development tool by providing or supplementing income for financially stressed farm families while allowing them to remain in rural areas. Brabec (Huber, 1993) suggests that a home-based business is a good form of unemployment insurance in the event the worst should suddenly happen. Having people remain in neighborhoods during the daytime hours has been seen as a way to reduce criminal activities. Prior to establishing a home-based business, owners need to become familiar with the community and neighborhood zoning regulations and restrictions. Home business owners should stay on good terms with their neighbors so that any problems can be worked out between neighbors (Huber, 1993; Waymon, 1986). However, persons working from home will need to establish a policy with friends and neighbors so that work interruptions for visits do not become a problem.

#### Impact on Society

Working at home reduces the number of commuters thus reducing traffic congestion and fossil fuel consumption (Strafford, et al.,1992). A reduction in fuel consumption in turn leads to improved air quality.

Home-based businesses are seen as a means to a more competitive economy as they would increase output, reduce prices, and therefore improve the economy. These businesses bring new and unique perspectives in the delivery of goods and services and they serve new and small markets that are uninteresting and unprofitable for larger firms (Pratt, 1986b, p. I-1).

It has been noted about home-workers that ". . . policy debate and business planning about home-based employment have been underinformed by current, representative data and confused by conflicting definitions" (Kraut, 1988, p. 30).

#### Estimates and Projections of Home-Based Businesses

Estimates of the number of people currently working at home, the number projected to be working from home in the future, and the characteristics of these workers vary widely (Kraut, 1988). Early estimates of the number of home workers ranged from 8 million to 23 million. Agencies have gleaned Census Bureau reports for information about the number of persons who work from their homes. Private companies have designed market research studies to determine the number of potential customers who work from their homes.

The exact number of home-based businesses in operation is difficult to ascertain. The variety of regulations and restrictions may cause home-based businesses to maintain a low profile which can result in reduced efforts to network, to develop markets and to expand. Home-businesses can open and close their doors without ever being counted. Government agencies were the first to attempt to count the number of home-based workers.

The United States Small Business Administration reported almost 5 million home-operated enterprises in 1983 (Atkinson, 1985). The Bureau of Labor Statistics (BLS) first attempt to determine the size of the home-based work force was in 1985. The BLS counted persons who were self employed and those who were employees doing work at home. Eighteen million persons reported to BLS that they worked at

home part of the time. Of this 18 million persons, 8.4 million reported working at home for 8 hours or more, as part of a nonfarm job, during the week which was used as the reference week. The other 9.6 million persons worked at home less than 8 hours per week or were in farm related jobs (Horvath, 1986). Horvath also found that 1.9 million people reported working at home exclusively. The number of home-based professional persons working at home was estimated to be 9 million in 1987 and was predicted to reach 13 million in 1990 (Castro, 1987).

To obtain the estimate of the number of home workers agencies often added a question/s to an existing instrument or form. These included tax forms, census reports, and housing reports. The following examples are representative of existing forms which have been used to count home workers.

In the 1980 "Taxpayer Usage of Internal Revenue Service Income Tax Returns (Forms 1040 and 1040A)(Schedule C)" identified 5.1 million nonfarm proprietorships located at home. The business was identified as being conducted at home if the home address on Form 1040 and the business address Schedule C were the same (Pratt, 1986b).

The 1980 "Journey to Work Supplement, Annual Housing Survey" estimated nonfarm and farm work at home at 2.7 million. This estimate was derived from the response to the question "What is \_\_\_'s principal means of transportation to work?" was "\_\_\_ works at home." (Pratt, 1986b).

In the October 1984 "Supplement to the Current Population Survey" persons aged 18 years and older were identified as working at home with their response to the question "at home does \_\_\_ use the computer for: was "job or business related activities. and/or wordprocessing". This Supplement identified 2.86 million persons as doing job or business-related work at home and 2.55 million were identified as doing wordprocessing. These numbers probably have some overlap as respondents were given seven alternatives and instructed to check all that applied.

Private research companies have also been interested in counting the number of persons who work at home. Link Resources Corp., a New York based market-research firm, estimated about 25 million Americans worked at home in 19 million households for the year 1988. Of this 25 million, 15.5 million were employees who supplemented office work with work at home and 9.5 million were self-employed. This represented an increase of 7 percent since the 1987 Link Resources survey and an increase of approximately 40 percent from 1985 to 1988 (Ambry, 1988; Boin, 1990). BIS Strategic Decisions, a market research firm in Norwell, Massachusetts, found 14.9 million income-generating households in 1988, 18.3 million income generating households 1989, and 20.3 million in 1991 (Barlow 1992; The New Rush Hour, 1990).

This chapter has discussed the four research issues related to the study of home-based businesses. Awareness of these issues can help future researchers as they develop reseach methods to study home-based business.

## CHAPTER III

### METHODOLOGY AND PROCEDURES

#### Introduction

This chapter discusses the methodology and design of the study. This includes the rationale for the selected research design, the determination of the population, design of the instrument, and the collection and analysis of data. The purpose of this study was to develop a definitive profile of home-based business owners and of home-based businesses in Oklahoma. The specific objectives were to: (1) identify characteristics of Oklahoma home-based businesses, (2) identify characteristics of Oklahoma home-based business owners, (3) assess the economic impact of Oklahoma home-based businesses through gross income generation, and (4) assess the educational needs of Oklahoma home-based business owners. This research was supported by the Oklahoma Home Economics Cooperative Extension Service Home-Based Business program at Oklahoma State University. Through the achievement of the specific objectives it was hoped to: (1) identify target program audiences, (2) determine future educational programming needs of home-based business owners, and (3) verify that home-based businesses are viable income producing entities in Oklahoma.

#### Research Design

It was determined that descriptive research would fulfill the purpose of developing a profile of Oklahoma home-based business owners and businesses. Leary defines descriptive research as "research designed to describe the behavior, thoughts, or feelings of a group of subjects" (1991, p. 336).

Since one of the purposes of survey studies is "To collect detailed factual information that describes existing phenomena" (Isaac and Michael, 1981, p. 46), the survey method of descriptive research was selected for this study. A great deal of information can be obtained from a large population with the use of a survey (Kerlinger, 1973).

#### Determination of the Population

The survey researcher is interested in the assessment of the characteristics of whole populations of people, but usually selects a sample from this population (Kerlinger, 1973). However, at the time of this study the population of Oklahoma home-based business owners had not been identified. The Oklahoma Cooperative Extension Service had held seminars for persons that were currently operating a home-based business as well as prospective home-based business owners. The attendance and response to the seminars indicated that home-based businesses were present and active in Oklahoma. It was also indicated that people were seeking ways to increase the family income and home-based business might provide the supplementation they were seeking. A data base was developed from the seminar attendance lists. Since one of the unknowns of this data base was the actual number of persons who were operating a home-based business it was decided to use the complete data base as the population for the survey. The *Oklahoma Rural News*, a publication of the Oklahoma Association of Electric Cooperatives, also published the survey. This mass communication method was selected in order to identify as many home-based owners and businesses as possible. Only 29 surveys were returned from the *Oklahoma Rural News*.

#### Development of the Instrument

The researcher determined that a mailed questionnaire was the most appropriate and economical method to gather information. A questionnaire was developed which could identify characteristics of home-based business owners and of

home-based businesses. The instrument was divided into four sections: (1) business information, (2) economic information, (3) demographic information, and (4) educational information needed by home-based business owners.

To gather information about the business, questions were included which pertained to business status, years in operation, hours worked at the home-based business, business organization, reasons for working at home and the category and type of business. The researcher used seven business categories and the option of "other" on the questionnaire. These categories were developed from business descriptions obtained from seminar registration forms, from business owners and prospective owners who requested information about starting or operating a business from the home, and from personal discussions with business owners. Although a wide variety of businesses can be operated from the home, Brabec (1989) notes that all businesses can be divided into either a product-oriented business or a service-oriented business.

The economic section included questions about work outside the home, estimated gross business income from the previous year, the number of family members employed by the business, the number of other employees, and business plans for expansion or growth. Questions pertaining to age, gender, educational level, marital status, and geographic location were included in the demographic section. Three questions were included in the educational needs/sources section. These questions asked business owners about the type of business information needed to operate a home-based business and where respondents received information about operating a home-based business.

The instrument was validated by individuals familiar with the objectives of the program, the population and methods of data collection. These individuals included the Extension Home-Based Business Coordinator, the Associate Dean of Extension, Extension Specialists, and the Extension Home-Based Business Steering Committee.



The instrument was tested for content, format, and clarity by the Oklahoma Herb Growers Association, a newly organized group whose members are mostly home-based. Minor changes were made following the pilot study and the final version appears in Appendix A.

The instrument was developed in a booklet format. The booklet was self-mailing for return to researcher. It was printed on colored paper to attract attention and the home-based business logo was used so that it could be identified as an Extension survey. The inside cover was used to explain the role of the Oklahoma Cooperative Extension Service as related to home-based business. It also gave information and directions related to the survey.

#### Collection of the Data

The survey was mailed during the winter of 1989 to 5000 names in the data base. Mailing labels were checked to prevent mailing to duplicate names. No second requests for returning the survey were mailed. Surveys that were returned with address corrections were remailed. A postcard was mailed with the survey. The card gave the population the opportunity to request more information about the home-based business program. Approximately twice as many cards were returned as were surveys. From the higher rate of cards returned it could be surmised that many persons listed in the data base had not yet started a business or were not ready to acknowledge that they were operating a business. A copy of the card is found in Appendix B. Since the survey was a means to identify home-based business owners the questionnaire also was printed in the newspaper of the Oklahoma Association of Rural Electric Cooperatives. The number of useable surveys returned was 658. Of the returned surveys 629 were from the mailing and 29 were from the newspaper.

#### Analysis of the Data

Responses from the questionnaires were coded by the researcher. The Statistical Analysis System (SAS) was used for data analysis. Descriptive statistics

such as frequency distribution and percentages were used to develop the profile of the typical Oklahoma home-based business, the typical home-based business owners, and the economic impact of home-based businesses on Oklahoma's economy. Chi-square statistics were used to analyze the data pertaining to the educational needs of home-based business owners, the business information sources of home-based business owners, and the gross income of home-based businesses. Chi-square was selected as it is used to analyze frequency counts, comparing observed frequencies with expected frequencies. The findings apply to the group studied and cannot be generalized to other home-based business populations.

The format of this thesis deviates from the prescribed thesis format at Oklahoma State University. This deviation was to create manuscripts suitable for publication. Selected findings of this study are presented in the manuscripts. Additional findings, tables, and recommendations appear in Appendix C.

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CHAPTER IV

HOME-BASED BUSINESS: OPPORTUNITY  
FOR COMMUNITY DEVELOPMENT

MANUSCRIPT FOR PUBLICATION

JOURNAL TITLE: JOURNAL OF THE COMMUNITY  
DEVELOPMENT SOCIETY

## HOME-BASED BUSINESS: OPPORTUNITY FOR COMMUNITY DEVELOPMENT

### ABSTRACT

As increasing numbers of people attempt to find ways to supplement or replace income, there is renewed interest in the home as a work place. There has been limited research on home-based workers, the types of work in which they engage, the economic impact of these home-based ventures, and the information needed by the owners to create and operate a successful home-based business. This descriptive study focuses on the characteristics of Oklahoma home-based businesses, the economic characteristics of these businesses, characteristics of home-based business owners, and the educational needs of these owners. The results of this study led to the development of a model home-based business program in Oklahoma.

### INTRODUCTION

The economic crisis in Oklahoma's communities is more than a decade old. Communities are still searching for ways to help their population replace or supplement income. Community recruitment of an outside industry can be an expensive undertaking. Often after much planning and time expenditure, recruitment activities fail to materialize into an income producing employer. For many communities building on the existing self-employment base can serve to develop home-based businesses as a way to increase income producing enterprises. According to Edwards the home-based business industry creates 7,854 new jobs daily in the United States with average job earnings of \$27,500 per year (Gulick, 1993).



### Trends

In the late 1980s, it was estimated that the number of full-time and part-time home-based workers would reach 31 million by 1992 (Bacon, 1989; Brabec, 1990b; Edwards & Edwards, 1989). In 1992, Link Resources Corp., a technology research and consulting firm, estimated there were 12.1 million full-time home-based business owners and 11.7 million part-time home-based business owners (Huber, 1993). In 1988, this same firm estimated the number of full-time home-based business owners at 6 million. Link's estimates indicate a growth of 6.1 million full-time home-based business owners in four years. Estimates of the yearly growth of the home-based business industry range from 1 million (Brabec, 1990a) to 4 million (Edwards & Edwards, 1989). An accurate count is difficult to obtain as studies use different parameters to determine a home-based business. Home-based workers have been called a rare population as they are difficult to locate and to study (Stafford, Winter, Duncan, & Genalo, 1992).

Eyler (1990) indicates the growth of home-based business has been the entrepreneur rather than the telecommuter, who is an employee of a company, or the at-home clerical or apparel workers. Although businesses created in rural areas tend to be built around traditional skills such as sewing and cooking, the range of businesses and occupations which can be operated from the home is nearly limitless (Eyler, 1990; Oelschlaeger, 1988). Paul and Sarah Edwards (1989) identified over 400 types of businesses which can be operated from the home today.

### Blending Home and Business

Ninety percent of the respondents to a 1990 survey by *Home Office Computing* (Stein & Espindle, 1991) indicated that they were better able to balance work and family since they had started working from home. It has been suggested that when a business is operated from the home family members share a sense of unity and accomplishment rarely found in other families (Oelschlaeger, 1988). However,

combining a family and the workplace under one roof can present challenges (Burns et al., 1989). Feelings of isolation increase the home-based business owner's need to network with other home-based business owners and to develop working relations with other businesses and organizations in the community. Zoning ordinances on home occupations can present barriers to prospective home-based entrepreneurs. Many home occupation regulations were established prior to the 1950s and may not be relevant to today's businesses.

The home can serve as an incubator for a new business thus giving the entrepreneur the opportunity to evaluate new products and services while keeping operating costs to a minimum (Hewes, 1981; Pratt, 1986a). However, without planning and preparation a home-based business may become a business failure statistic. Although it is difficult to determine the number of home businesses that open and close, Atkinson (1985) estimates that for every home-based business that reaches some degree of success 20 others will not succeed. The reasons for closing are varied. Some owners will continue to work at a job away from home while operating a home-based business. These people may find they cannot handle the responsibility. Others become discouraged at the amount of time and hard work it takes to develop and operate a home business.

Stafford et al.,(1992) found home-based work to be a rural rather than an urban phenomenon even though their study excluded farmers who were engaged exclusively in agriculture production. Home-based businesses are important to rural areas because alternative employment opportunities are limited, and child care is difficult to obtain for children whose parents have jobs away from home (Littrell, Stout, & Reilly, 1991). Farmers, frustrated by the continual decline in income have turned to entrepreneurship as a means of supplementing and stabilizing their income while allowing them to maintain rural lifestyles (Owen, Carsky & Dolan, 1992).

Incomes from these business ventures are generally reported to be modest although some enterprises have surpassed the million dollar income level.

Residents of urban areas also find that a home-based business provides the opportunity to provide care for dependent persons while earning or supplementing the family income (Behr & Lazar, 1983). As large companies downsize their workforce, displaced workers are turning to self-employment, often operating from their homes. And as society ages more elderly are starting a home-based business after retirement from the workplace (Davidson, 1990). Elderly entrepreneurs have been found to account for 15 percent of home-based business owners (Scott, 1989).

Oklahoma's depressed economy beginning in the mid 1980s caused many residents to look for alternative and supplemental income. A number of factors contributed to the deterioration of the economy in Oklahoma, including the collapse of oil prices, low agriculture prices, and bank failures (College of Business Administration, 1989). Although 1993 found Oklahoma financial institutions beginning the year healthier than in the mid 1980s, agriculture prices and oil and gas production and exploration are predicted to decline (College of Business Administration, 1993).

In 1985 the Oklahoma Cooperative Extension Service initiated the development of a home-based business program to address the needs of people seeking alternative sources of income. The program was designed to help persons develop skills, hobbies, and ideas into profitable ventures (Burns et al., 1989).

### Purpose

This article presents findings from a 1989 survey of Oklahoma home-based business owners. The purpose of the study was to develop a profile of Oklahoma home-based business owners. The data provides a better understanding of the needs of home-based business owners. A review of business management and operation educational materials showed a lack of information designed for the home-based

business owner. Conventional entrepreneurial materials and programs are designed to address needs of small business owners rather than the unique characteristics and needs of home-based business owners (Pratt, 1986b). The Oklahoma State University Cooperative Extension Service used the findings of this survey to develop educational materials and implement programs for home-based business owners.

## METHODOLOGY

Usually a representative sample is selected from the population to be studied, however at the time of this study the population of home-based business owners in Oklahoma had not been identified. A data base had been developed from attendance records of home-based business seminars and workshops conducted by the Oklahoma Cooperative Extension Service. Since one of the unknowns of this data base was the number of persons who were actually working from their homes the entire data base was utilized as the population. The survey method of descriptive research was selected for this study because of the size of the population. The survey was also printed in the newspaper published by the Oklahoma Association of Rural Electric Cooperatives, which is sent to 237,000 users of rural electricity.

The survey was developed to collect baseline demographic, business, economic, and educational needs data. The instrument was tested for content, format, and clarity by a sample selected from the Oklahoma Herb Growers Association, an organization consisting primarily of home-based business owners. Minor changes were made following the pilot study. The questionnaire was mailed to names in the data base. Respondents were asked to complete and return the self mailer questionnaire. Data collection yielded 658 useable questionnaires. Some respondents returned the survey and indicated that they were not currently operating a home-based business.

## FINDINGS

### Characteristics of Home-Based Businesses

Responses to questions about business operations found that the typical home-based business in Oklahoma was organized as a sole proprietorship (80.9%), had been in operation for 3 years or less (52.9%), provided supplemental income (84%), and was located in rural areas (41.9%) Figure I. Similar to the finding of Stafford et al. (1992) the majority of the respondents lived in a rural area. Perhaps this is influenced by the fact that Oklahoma is considered a rural state. This response may support the idea that people start home-based businesses in order to retain the lifestyle of rural and small communities. The largest percent of responses (23.8%) was in the rural - not on a farm category.

Thirty two percent of the respondents reported being in business from 4 to 10 years. Collapsing responses to "years in operation" it was found that 52.9% of the businesses had been in operation for 3 years or less. These findings indicate that many of the home-based businesses in Oklahoma were started since the decline of the state's economy. The lowest percentage (14.9%) had been in operation for 10 years or longer.

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Insert Figure I about here

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Oklahoma home-based businesses are a diverse group of businesses. Seven general headings were used to categorize businesses being operated from the home. These seven categories were developed using a variety of methods including: (1) the business listings which were obtained from the seminar registration forms, (2) business owners and prospective owners who requested information about starting or operating a business in or from the home, and (3) personal discussion with business owners. The names of these persons and their business information were entered

into the home-based business data base. The categories included: consulting services, skilled services, educational services, product manufacturing/fine arts, product sales, agriculture/forestry/fisheries, and tourism/recreation. A choice of "other" was also available to the respondents. A review of the responses to the "other" choice found that the type description for these businesses would fit into one of the seven categories. The use of seven general categories brought focus to the nearly limitless kinds of businesses being operated from the home. Response to the business type question indicates that home-based business owners often operate more than one business from their home. It also indicated that a business owner may perform or provide different operations under one business name. Computer programmers may write programs for their clientele, but they may also consult with clientele on the type of hardware and software needed, as well as teach the customer how to use the product. This particular home-based business owner would be providing a skilled service, a consulting service, and an educational service. The study tabulated each home business under one primary operation category. The percentage of responses in each category were: consulting services - 9.7%, skilled services - 29.9%, educational services - 2.4%, product manufacturing/fine arts - 36.1%, product sales - 7%, agriculture/forestry/fisheries - 14.3%, and tourism/recreation - .6%.

Brabec (1989) indicates that all home-based businesses can be classified as either service-oriented or product-oriented. Responses to the business category question were also tabulated into those providing a service and those producing or selling products. Although descriptions in agriculture/forestry/fisheries indicated that businesses in this category provided both services and products the majority of the descriptions were product related. Therefore, this category was placed with the product-oriented businesses. Categories included in service-oriented businesses were consulting services, skilled services, educational services, and tourism/recreation. A

total of 42.6% of the businesses were service-oriented. Categories included in product-oriented businesses were product manufacturing/fine arts, product sales, and agriculture/forestry/fisheries. A total of 57.4% of the businesses were product-oriented. Figure II summarizes the responses to business category and presents how the categories were divided into the two main types of businesses as given by Brabec.

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Insert Figure II about here

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### Economic Characteristics of Home-Based Businesses

The majority (47.7%) of the 621 respondents to this question reported a gross income of \$3,000 and under. Of the respondents reporting a gross income of \$3,000 and under 70 percent had been in business 3 years or less. Twelve percent of those responding to the business income question reported a gross income ranging from \$30,000 to \$75,000. Of this twelve percent (74 respondents) 30 percent (22) reported their business had been in operation for 3 years or less. Table I compares the yearly gross business income reported with the number of years the business had been in operation. Of particular interest on this table are two cells each containing 22 responses. One of these cells contains 22 responses which indicated a gross income of \$30,000 - \$75,000 and an operation time of 3 years or less and the other cell contains 22 responses which indicated a gross income of \$3,000 and under and an operation time of more than 10 years. One might surmise that business owners reporting the lower gross income may still be operating their businesses as hobbies and not want to grow into a larger operation or they may need information related to business management and operation in order to increase their income. Further study may want to investigate the types of businesses and the business management and operation methods of the businesses reporting higher gross income in a relative short time of operation.

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Insert Table I about here

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The observed yearly gross income levels for females were significantly lower than the expected frequencies. Females were over represented in gross income levels from \$14,999 to below \$3,000. There were no significant findings when comparing gross income with business categories, although income reported for the category of product manufacturing/fine arts was frequently below \$9,999. Production and creation of art and craft items was the most frequent business description given in this category.

#### Characteristics of Home-Based Business Owners

Responses to questions related to developing a profile of home-based business owners found the typical Oklahoma home-based business owner was female (63.6%) and married (82.1%). The majority of owners (45.1%) were in the 30 - 45 age category and were self-employed (92%) Figure III. The largest percent (28.9%) reported the highest level of formal education attained was some college. The home-based business owners who responded to the survey were found to have a high level of formal education. Forty percent reported they were college graduates, had some graduate school education or held a graduate degree.

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Insert Figure III about here

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#### Educational Needs of Home-Based Business Owners

The number of years the business had been in operation and the age of the business owner were the most significant factors in the educational needs of home-based business owners. Business owners who had operated their business for three years or less indicated needing information in areas of financial recordkeeping,



marketing, legal aspects, and promotion. Business owners 30-45 years of age reported needing information in the areas of financial recordkeeping, legal aspects, marketing, and in family coping skills. Nearly three-fourths (71.3%) of the respondents indicated a need for information on marketing. A summary of educational needs of home-based business owners is given in Figure IV.

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Insert Figure IV about here

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### A MODEL PROGRAM

The findings from this survey were used by the Oklahoma Cooperative Extension Service to develop educational materials and activities and to provide support for home-based businesses in Oklahoma. Extension specialists collaborated to write a book covering basic aspects of starting and operating a business. This book was used as the bases of seminars conducted throughout the state. The focus of the early educational program was on information for business owners in the areas of foods, clothing, housing, and child and adult care (Burns, 1993). Educational material specific to each of these business areas was developed. Several extension home-economists sponsored county workshops in these business areas.

#### Advisory Board

The extension specialists recognized the need for other expertise to provide information about business management, financial planning, marketing, and legal issues for home-based businesses (Burns & Biers, 1991). To provide this expertise a Home-Based Business Advisory Board was organized. The statewide Board is composed of representatives of various groups involved in economic development including home-based business owners and representatives from the Rural Electric Cooperative, Service Corps of Retired Executives, Small Business Administration, Small Business Development Centers, Oklahoma Tax Commission, and various state

departments including Commerce, Agriculture, Labor, and Vocational-Technical Education. This Board meets yearly and makes recommendations for the Cooperative Extension Home-Based Business Program. The goals of the Board are to: 1) provide support and expertise to the home-based business program; and 2) promote activities and actions that help home-based business owners market their products and services (Burns & Biers, 1991).

#### Central Office for Home-Based Entrepreneurship

The Central Office for Home-Based Entrepreneurship (COHBE) was established at Oklahoma State University by the Cooperative Extension Service. It provides educational programs to support new and established home-based businesses (Burns, 1992). Four state wide home-based business conferences and 18 regional conferences have been held since 1989. These conferences feature workshops on business operations and business management for both product-related businesses and service-related businesses. Workshop presenters included successful home-based business owners as well as agency and organization representatives who were interested in the development of the home-based business industry. In 1991 and 1992, a series of workshops focusing on quality standards and control, production management, pricing, display, and marketing were also presented at various locations within the state. Half-day and evening seminars are offered on requested business topics throughout the state each year.

COHBE is responsible for providing educational material and referral services to all home-based business owners in the state. This material includes information about specific businesses such as operating a bed and breakfast, sewing for profit from your home, child care in the home, food and catering for profit from the home, and technology in the home.

Information pertaining to all categories of home-based businesses includes: (1) "Home-Based Business: Putting It All Together", a book covering basic aspects of

starting and operating a home-based business and (2) "Home-Based Business: Legal Considerations" a fact sheet covering the legal aspects of operating a business from the home. A "Home-Based Business State\National Resource Directory" has been developed. This "Directory" gives names, addresses, and a brief description of agencies and organizations working with the economic development of the home-based business industry. It includes state agencies which issue various permits and licenses to home-based businesses.

Directory of Oklahoma Home-Based Businesses. The "Directory of Oklahoma Home-Based Businesses" is published annually by the Central Office. One of the purposes of the "Directory" is to advertise Oklahoma products and services to state, national, and international buyers. It also serves as a networking support system to all home-based business owners. The seven categories developed in the study are used to divide the "Directory" business listings. A feature story about a home-based business owner begins each category section. Home-based business owners who want to be listed in the "Directory" are asked to complete a listing form which gives the Central Office permission to list information about the business. The fourth edition of the "Directory" listed over 500 home-based businesses.

#### Oklahoma Home-Based Business Association

The Central Office also supports the Oklahoma Home-Based Business Association. Organized in 1990, it is the first professional state association for home-based businesses. The lead agency in the establishment of the Association was the Oklahoma State University (OSU) Cooperative Extension Service with close collaboration with representatives from the Oklahoma Association of Electric Cooperatives, the Oklahoma Department of Commerce, the Oklahoma Small Business Development Centers and the Governor's Office.

The Association is a non-profit corporation, governed by an 18 member Board of Directors, which is composed of officers, representatives from the four extension

districts within the state, and a representative from each of the seven business categories used in the survey. The Association is a full-service support organization owned and operated by home-based business owners. The mission of the Oklahoma Home-Based Business Association is to:

". . . establish group services and benefits, to create opportunities in sales and trade market areas, to act as an advocate, and to provide educational services and research which will enhance the economic viability and success of Oklahoma home-based businesses (HBB)"  
(Burns, 1992, p. nn).

The Association is currently in the process of establishing local chapters. These chapters extend the educational network of the Association and the OSU Central Office for Home-Based Entrepreneurship. A portion of the membership dues is returned to the local chapter to help with operating expenses.

The OSU Central Office of Home-Based Entrepreneurship has prepared A Business Information File for each chapter. This file contains information related to various aspects of business management and operation. It is used to help plan programs and as well as reference material.

Member Services. The Association formed the Group Purchasing Network (GPN) in 1992 as a pilot program. GPN was designed to provide group purchasing benefits to home-based business owners. Group purchasing can help to reduce the cost of doing business by offering home-based business owners quality products, bulk rates, and convenient home delivery. Association members receive the "Bulletin", a bimonthly newsletter containing information related to home-based business as one of the membership services. The Association also provides the opportunity for home-based business owners to network with other business owners and with professionals who work with home-based business.

### Recommendations

As the number of home-based businesses continues to increase, community development practitioners can help to provide assistance and support to existing and start-up home-based businesses. Home-based businesses can help to increase the economic stability of communities as well as reduce the outmigration. These businesses will need assistance in establishing a community network to provide support for home-based business owners. A community development practitioner can educate local residents as to the social and economic impact that home-based businesses can have on the community. Home business owners may need assistance in working with city officials in establishing zoning regulations that are friendly to home-based business owners as well as retain the integrity of the community. Community development practitioners can actively work toward developing the leadership skills of home-based business owners so that the businesses can become a viable part of the local community.

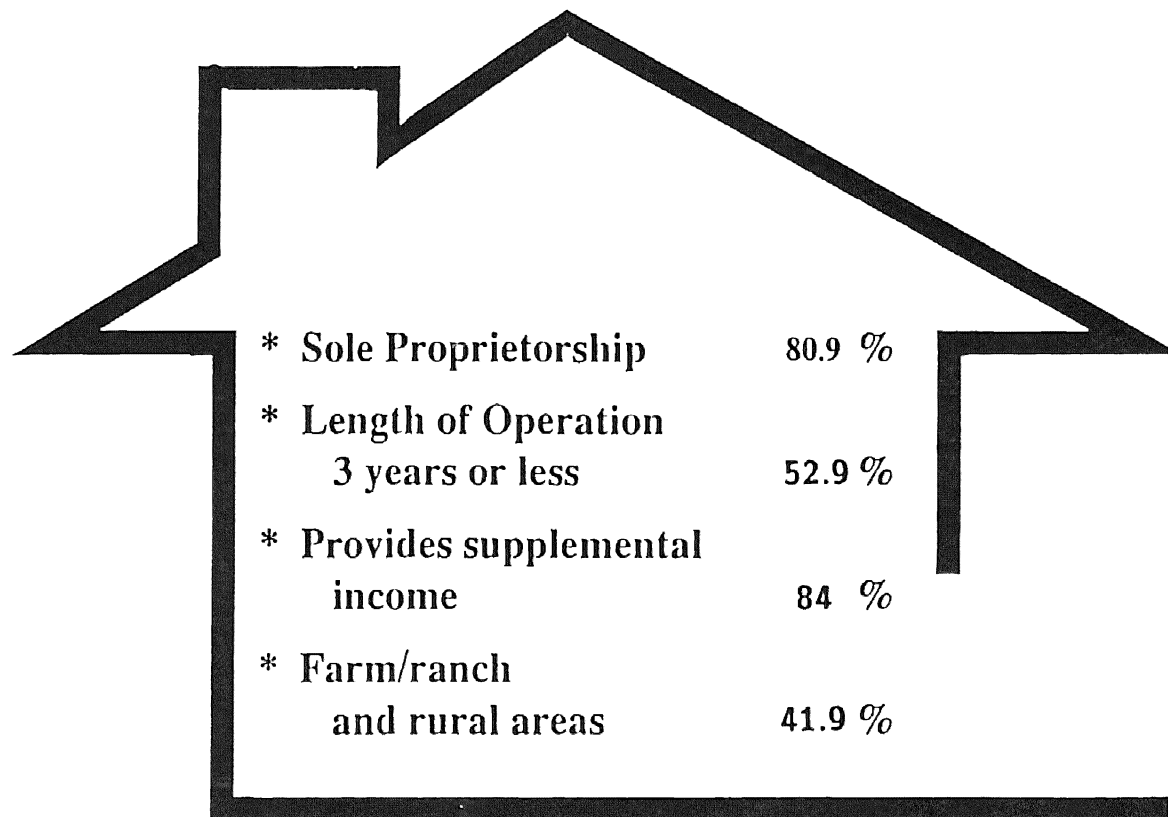


Figure I. Typical Oklahoma Home-Based Business

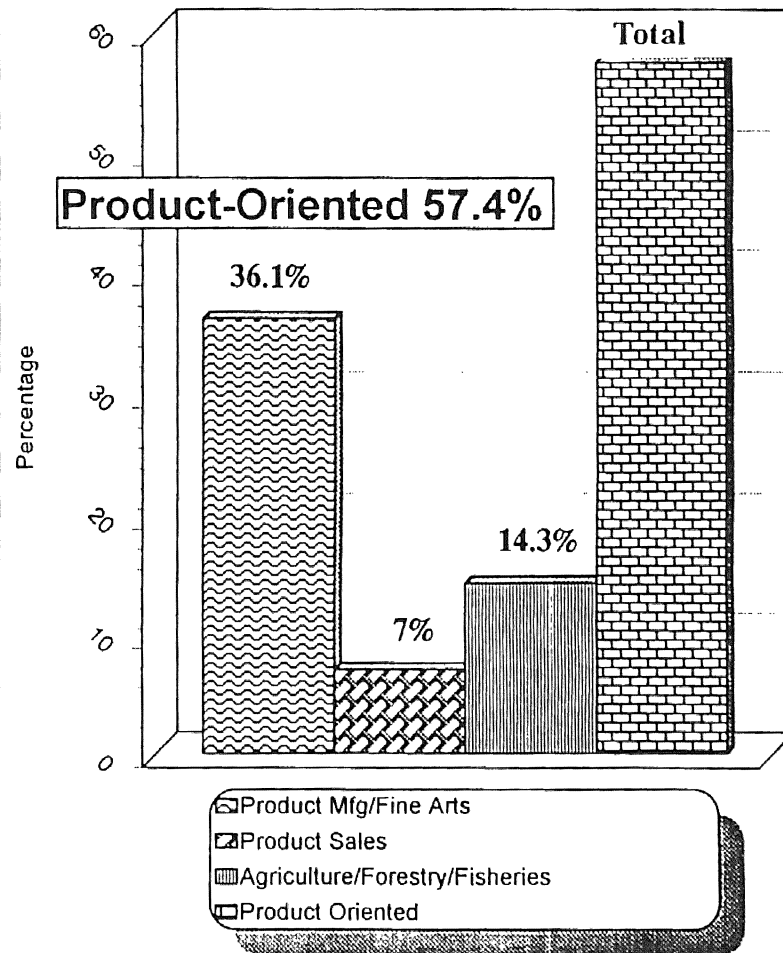
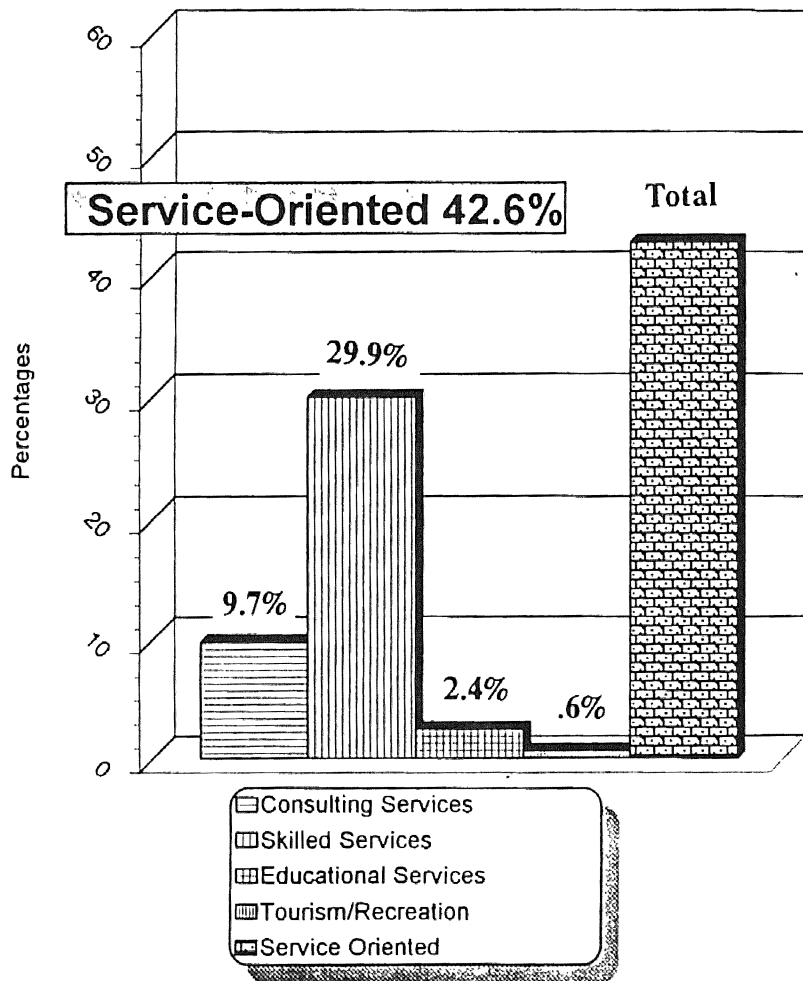


Figure II. Oklahoma Home-Based Business Categories

Source: Oklahoma Cooperative Extension "Economic Development Through Home-Based Business: A Survey of Oklahoma Home-Based Workers"

TABLE I  
OKLAHOMA HOME-BASED BUSINESS  
GROSS INCOME

Years in Business	\$3,000 & under	\$3,000-9,999	\$10,000-29,999	\$30,000-75,000
Beginning to 3 yrs	213	67	28	22
4-10 yrs	68	55	49	26
More than 10 yrs	22	18	27	26

Source: Oklahoma Cooperative Extension "Economic Development Through Home-Based Business:  
A Survey of Oklahoma Home-Based Workers"



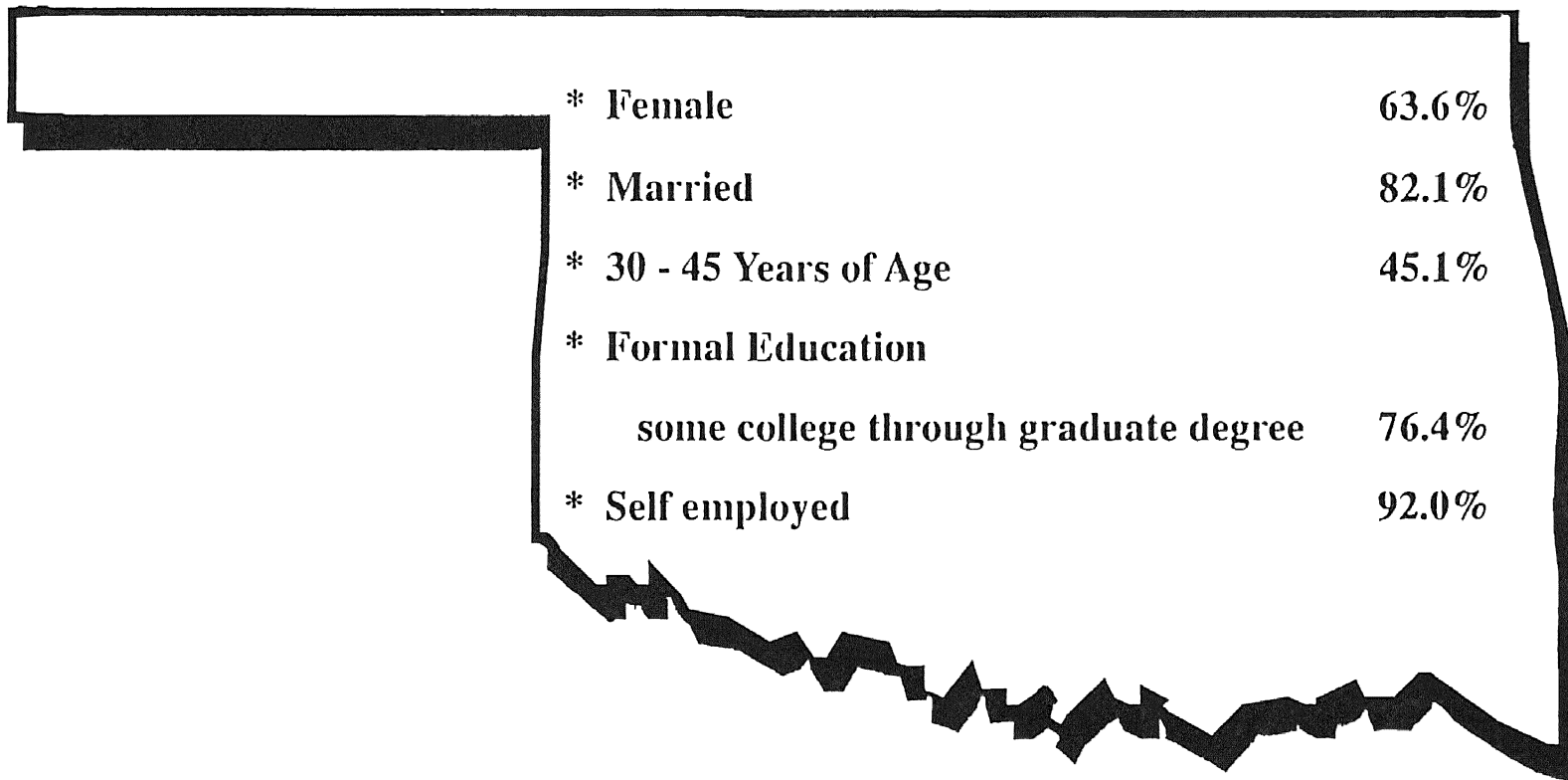


Figure III. Typical Oklahoma Home-Based Business Owner

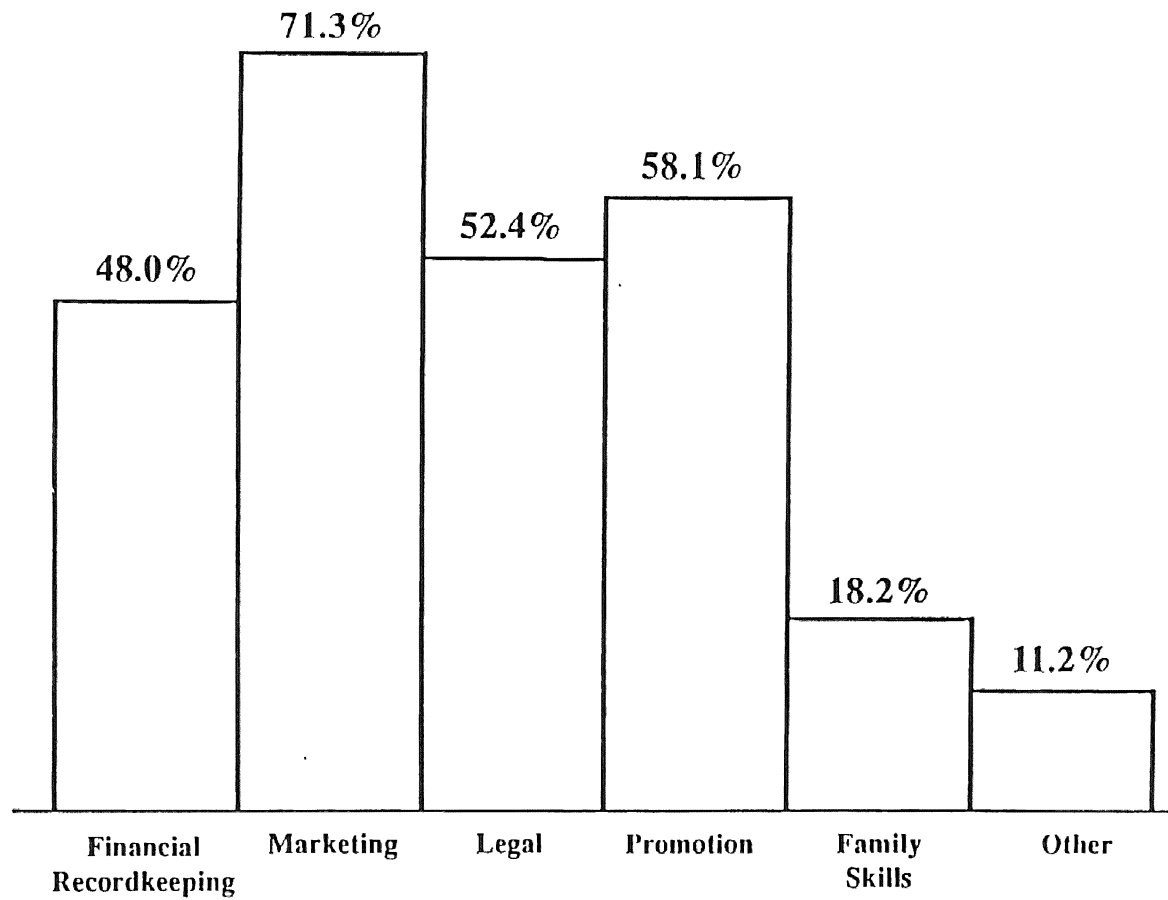


Figure IV. Oklahoma Home-Based Business Educational Needs

Source: Oklahoma Cooperative Extension "Economic Development Through Home-Based Business: A Survey of Oklahoma Home-Based Workers"

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CHAPTER IV

HOME-BASED BUSINESS: PROGRAMMING  
OPPORTUNITIES FOR EXTENSION

MANUSCRIPT FOR PUBLICATION

JOURNAL TITLE: JOURNAL OF EXTENSION

## HOME-BASED BUSINESS: PROGRAMMING OPPORTUNITIES FOR EXTENSION

Economic development is a term often heard as Extension personnel are being challenged to make programs more relevant and to address societal needs. The depressed economy has forced people to seek new sources or supplemental sources of family income. This is especially true of rural areas where farm incomes have decreased yet people want to retain their rural lifestyle. In small communities employment opportunities are limited and child care is difficult to obtain for children whose parents have jobs away from home.<sup>1</sup> For many rural communities building on the existing self-employment base can serve to develop income generating opportunities through the development of home-based businesses.<sup>2</sup> Edwards and Edwards<sup>3</sup> identified over 400 types of businesses which can be operated from the home, however Lofflin<sup>4</sup> found the business ventures created in rural areas are built around traditional skills such as sewing or cooking. Income from these businesses tends to be modest although some entrepreneurs have surpassed the million dollar mark with their ventures.

Many of these entrepreneurs have the skill needed to make their product or provide their service. What many entrepreneurs lack is business operation and management knowledge and skills. A study of Oklahoma home-based sewing business owners found these business owners believed they were skilled at most sewing techniques, but indicated they needed business information about record keeping and taxes.<sup>5</sup> Where can rural entrepreneurs obtain the business expertise

needed to operate a home-based business? The Extension network offers a promising vehicle for delivering programs to this non-traditional clientele.

### ROLE OF EXTENSION

In 1985, the Oklahoma Cooperative Extension Service conducted home-based business workshops across the state. Attendance at the workshops indicated a need for continued programming in the area of home-based business. The early program developed around the traditional activities of sewing for profit and food for profit. It became evident that the participants also needed information related to business operations and management. Educational materials are available to small business owners, but educational material to meet the specific needs of home-based business owners is limited.<sup>6</sup> In order to develop an on-going home-based business program a study was undertaken to assess the needs of this clientele.

### THE STUDY

Home-based business owners are a non-traditional clientele for Extension and the information they need is a non-traditional area for Extension. The purpose of this study was to develop a definitive profile of home-based businesses and of home-based business owners in Oklahoma. The specific objectives were to (1) identify characteristics of home-based businesses, (2) identify characteristics of Oklahoma home-based business owners, (3) assess the economic impact of Oklahoma home-based businesses, and (4) assess the educational needs of Oklahoma home-based business owners. A questionnaire was developed which included items about the business, the business owner, the business income, and the educational needs of the owners. The questionnaire was pilot-tested on a sample selected from the Oklahoma Herb Growers Association. The self-administered mail survey was sent to a 5000 name database.. The results are based on 658 usable responses.

## FINDINGS

### Typical Home-Based Business

In Oklahoma the typical home-based business was organized as a sole proprietorship, had been in operation 3 years or less, provided supplemental income, and was located in rural areas. The businesses were divided into seven categories by type of operation.

### Typical Home-Based Business Owner

The typical Oklahoma home-based business owner was a female between the ages of 30-45 years, married, and was self-employed. The majority (76.4%) of the respondents reported having attained formal education levels from some college through a graduate degree.

### Income Generation of Home-Based Businesses

The majority (47.4%) of respondents reported a gross business income for the previous year as \$3000 or less. This is not unexpected considering the length of time the businesses had been in operation. However, 74 businesses reported gross business incomes from \$30,000 to \$75,000. Businesses reported being in operation from less than a year to ten years or longer.

### Educational Needs of Home-Based Business Owners

The number of years the business had been in operation was the most significant factor in determining the information needed by home-based business owners. Persons who had operated home-based businesses for 3 years or less reported needing business information about financial recordkeeping, marketing yourself and your business, the legal aspects of a home business, and promotion (Advertising/Publicity). Other significant findings regarding information needed to operate a business included: (1) all ages reported needing information about marketing yourself and your business, (2) owners 45 and under needed information about financial recordkeeping, (3) females reported needing more information about



legal aspects of a home business, and (4) the need for family and coping skills was reported by persons 30-45 years of age.

The study also asked business owners where they obtained information about operating a home-based business. Although none of the findings were significant the most frequently used sources for home-based business information were friends (36.85%) and other business owners (36.85%). "Other" ranked third (32.62%) and the Cooperative Extension Service was the agency used most frequently by the respondents (24.07%).

Nearly three-fourths (74.43%) of the respondents indicated they were self educated when asked how home business skills were acquired. The highest percent (87.78%) reporting being self taught were high school graduates and the lowest percent (61.33%) were owners with a graduate degree.

#### SUMMARY AND CONCLUSIONS

The contribution of home-based businesses to the rural community lifestyle and the potential for rural economic development warrant Extension resources and programming. Home-based businesses are one way new enterprises can be created. Extension personnel can collaborate with other state and federal agencies that are working with economic development to provide the information needed by these entrepreneurs. Extension has the network for delivering information into rural areas while other agencies can provide specific business information.

## ENDNOTES

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## APPENDIXES

APPENDIX A  
QUESTIONNAIRE

## HOME-BASED BUSINESS SURVEY

*Dear Home-Based Business Worker:*

*Oklahoma State University Cooperative Extension Service provides educational materials and services to HOME-BASED BUSINESS WORKERS in Oklahoma.*

*Because of the increasing interest and many questions about operating a business at home, the program is expanding to offer more activities, services, and materials. These include:*

- a STATEWIDE CONFERENCE, March 16, 1989 in Oklahoma City.*
- in-depth WORKSHOPS on marketing, business planning, and promoting self/business,*
- new PUBLICATIONS/VIDEO TAPES, and*
- MARKETING OPPORTUNITIES.*

*Plans are developing to organize a STATEWIDE ASSOCIATION for home-based business owners that could act as a networking and mentor system, an advocacy group, a clearing house for sources of capital, and a force that would improve the image of the home-based business industry in Oklahoma.*

*We are developing a list and profile of home-based business owners in Oklahoma. Please help us by taking a few minutes to answer the following questions about you and your business. If you have already filled out a survey, please pass this along to another Home Business worker. Thank you!*

*In order to keep your answers confidential, you do not need to sign the survey. Mail completed survey in the enclosed envelope. Please fill in your name/address on the enclosed card to mail separately for information about the benefits you may receive from the program. If you have any questions, contact your local Cooperative Extension Office or Marilyn Burns, (405) 744-5776. Please return by February 15, 1989.*

*Thank you,*

*Dr. Marilyn Burns,  
HBB State Coordinator*

**Directions:** Circle correct number(s) and indicate short answers where appropriate.

1. What is your business status?
 

Self employed (business owner) .....	1
Employee.....	2
Other (specify) _____ .....	3
  
2. Why do you work in your home?
 

Low overhead .....	1
Convenience.....	2
Tax break.....	3
Can do more work.....	4
Independence.....	5
Creative Expression.....	6
Have no choice .....	7
Have more family time.....	8
Other (specify) _____ .....	9

3. What is the average number of hours per week you work at your home-based business?
- 10 or less .....1
  - 11-20 .....2
  - 21-30 .....3
  - 31-40 .....4
  - Over 40.....5

4. How many years have you operated a home-based business?
- 1 year or less.....1
  - 1-3 years .....2
  - 4-10 years .....3
  - More than 10.....4

5. What type of business are you involved in? (Indicate the broad category by circling the number and explain or describe in the column to the right)

Category	Type of Business
<u>Consulting Services</u> , such as: ..... 1 insurance/mutual funds, interior design, accounting/tax services, career training, etc.	_____
<u>Skilled Services</u> , such as: ..... 2 painting/wall papering, alterations/dressmaking, cleaning services, computer related, lawn maintenance, repair, child/adult care, raising dogs/birds, food catering, etc.	_____
<u>Product Manufacturing</u> , such as: ..... 3 crafts, wood products, floral arrangements, toys, art objects, etc.	_____
<u>Product Sales</u> , such as:..... 4 retail food gifts, bird seed, sporting goods, cosmetics.	_____
<u>Educational Services</u> , such as:..... 5 tutoring, music lessons, etc.	_____
<u>Agriculture/Forestry/Fisheries</u> , such as: ..... 6 herbs, you-pick-it, Christmas trees, fish farms, etc.	_____
<u>Tourism/Recreation</u> , such as ..... 7 bed/breakfast, amusement center, etc.	_____
<u>Other</u> (explain) _____ ..... 8	_____

6. What type of business organization do you have?
- Sole Proprietorship .....1
  - Partnership .....2
  - Corporation.....3
  - Other (specify) \_\_\_\_\_ .....4

7. Is your business seasonal?
- Yes, (specify which season) \_\_\_\_\_ .....1
  - No .....2

8. In addition to your home business are you employed outside your home?  
 Yes, (specify number of hours) \_\_\_\_\_ 1  
 No ..... 2
9. How would you describe your home-based business income?  
 Total income for you or your family ..... 1  
 Supplemental income ..... 2  
 Other (explain) \_\_\_\_\_ 3
10. What was your approximate gross income last year (1988) from your home-based business?  
 \$3,000 and under ..... 1  
 \$3,000 - \$4,999 ..... 2  
 \$5,000 - \$9,999 ..... 3  
 \$10,000 - \$14,999 ..... 4  
 \$15,000 - \$19,999 ..... 5  
 \$20,000 - \$29,999 ..... 6  
 \$30,000 - \$49,999 ..... 7  
 \$50,000 - \$74,999 ..... 8  
 Over - \$75,000 ..... 9
11. Are family members employed by your business?  
 Yes, (specify) \_\_\_\_\_ 1  
 No ..... 2
12. Are other persons employed by your business?  
 Yes, (specify number) \_\_\_\_\_ 1  
 No ..... 2
13. Do you plan to move your business out of your home in the future?  
 Yes (explain) \_\_\_\_\_ 1  
 No ..... 2
14. Are you?  
 Male..... 1  
 Female ..... 2
15. Are you?  
 30 or under ..... 1  
 30-45 ..... 2  
 46-60 ..... 3  
 Over 60..... 4
16. Are you?  
 Single..... 1  
 Married ..... 2  
 Divorced or Separated ..... 3  
 Widowed..... 4
17. Where do you live?  
 Farm/ranch..... 1  
 Rural - not on a farm ..... 2  
 Town under 10,000 population or rural non-farm ..... 3  
 Town or city 10,000 to 50,000 population..... 4  
 Suburb of city over 50,000 population ..... 5  
 City of over 50,000 population ..... 6  
 City of over 100,000 polulation ..... 7

18. How much formal Education have you completed?
- |  |   |
|--|---|
| Some high school.....                  | 1 |
| High school graduate.....              | 2 |
| Trade-vocational school.....           | 3 |
| Some college.....                      | 4 |
| Junior College - Associate degree..... | 5 |
| College graduate.....                  | 6 |
| Some graduate school.....              | 7 |
| Graduate degree.....                   | 8 |
19. How did you learn your home business skills?
- |  |   |
|--|---|
| Self educated in your business.....                        | 1 |
| School trained (trade, vocational, military, college)..... | 2 |
| Apprenticeship.....  | 3 |
| Learned skill working for someone else.....                | 4 |
| Other (specify) _____.....                                 | 5 |
20. Where do you get information for questions you have about running your home business?
- |   |   |
|---|---|
| Friends.....                                      | 1 |
| Other home business owners.....                   | 2 |
| Mass Media (Newspapers, Radio, T.V.).....         | 3 |
| County Court House Offices.....                   | 4 |
| Cooperative Extension Service.....                | 5 |
| Small Business Administration (SBA workshop)..... | 6 |
| Small Business Development Centers (SBDC).....    | 7 |
| Oklahoma Department of Commerce.....              | 8 |
| Other (specify) _____.....                        | 9 |
21. What additional information would be helpful to your business?
- |   |   |
|---|---|
| Financial record keeping.....             | 1 |
| Marketing yourself and your business..... | 2 |
| Legal aspects of a home business.....     | 3 |
| Promotion (Advertising/Publicity).....    | 4 |
| Family involvement and coping skills..... | 5 |
| Other (specify) _____.....                | 6 |

If you know of other home-based workers that have not participated in the survey, please ask them to contact the local Cooperative Extension Office for a survey form.

Thank You! We appreciate your time.

Return by **February 15, 1989**

Send in postage paid envelope to:  
Marilyn Burns,  
Oklahoma State University  
209, HEW  
Stillwater, OK 74078



APPENDIX B

RETURN CARD

## RETURN CARD

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

Zip \_\_\_\_\_

Business Name \_\_\_\_\_

Short description \_\_\_\_\_

Please put my name on the mailing list for information about: (Check all that apply)

- Educational materials through Cooperative Extension  
 Governor's Conference on Home-Based Business (April \_\_, 1989)  
 Oklahoma Alliance for Artisans  
 Services available from Small Business Development Centers (SBDC) and Service Corp of Retired Executives (SCORE)  
 Please put my name on Home-Based Business Newsletter

APPENDIX C  
SUMMARY OF FINDINGS

## SUMMARY OF FINDINGS

The purpose of this study was to investigate selected features of Oklahoma home-based business owners and of home-based businesses. The specific objectives were to:

1. identify characteristics of Oklahoma home-based businesses.
2. identify demographic characteristics of Oklahoma home-based business owners.
3. assess the economic impact of Oklahoma home-based businesses through gross income generation.
4. assess the educational needs of Oklahoma home-based business owners.

This appendix presents the results and discussion of the data analysis. The findings related to the objectives of the study are presented using frequencies and percentages. Chi square was used to analyze the data for the hypotheses. The number of usable questionnaires received was 658.

### Objective One

To identify characteristics of Oklahoma home-based businesses.

To achieve this objective questions were asked about business organization, years in operation, location, employees, and type of business operated. Responses indicated the typical Oklahoma home-based business was a sole proprietorship, had been in operation for three years or less, provided supplemental income, and was located on a farm\ranch or in a rural area.

### Type of Business Organization

The survey indicated that the majority of the home-based businesses were organized as a sole proprietorship. The category of "other" was selected by 2.5 percent of the respondents. A review of "other" responses indicated that they could be included with sole proprietorship. Collapsing sole proprietorship and "other" would give an adjusted percentage of 80.9 of the home-based businesses organized as sole proprietorships. The results of this question are given in Table II. The percent is based on 648 responses to this question.

TABLE II  
TYPE OF BUSINESS ORGANIZATION

Organization	Frequency	Percent
Sole Proprietorship	508	78.4
Partnership	69	10.6
Corporation	55	8.5
Other	16	2.5
Missing Frequency	10	
Total	658	100.0

### Years in Operation

The number of years home-based businesses have been in operation in Oklahoma ranged from less than one year to over 10 years. The largest percent (32.2%) of the businesses had been in operation from 4-10 years. The next largest percent (30.1%) had been in business from 1-3 years. Collapsing groups it was found that approximately half (52.9 %) of the businesses had been in operation for three years or less while nearly half (47.1 %) had been in business from 4 to over 10 years. The results of this question are summarized in Table III. The percent is based on 645 responses.

TABLE III  
YEARS HOME-BASED BUSINESS IN OPERATION

Years	Frequency	Percent
One Year or Less	147	22.8
1-3 Years	194	30.1
4-10 Years	208	32.2
More than 10	96	14.9
Missing Frequency	13	
Total	658	100.0

Location of Home-Based Businesses

The highest percent (23.7%) of the respondents indicated they operated their home-based business in rural areas. Collapsing the Farm/Ranch and Rural-not on a farm choices yielded a total of 41.9 percent of the responses. Three respondents wrote in a choice of "other". A summary of the responses to business location is found in Table IV. Percent is figured on a response rate of 650.

TABLE IV  
LOCATION OF HOME-BASED BUSINESS

Variable	Frequency	Percent
Farm/Ranch	118	18.2
Rural-Not on a Farm	154	23.7
Town Under 10,000 Population or Rural Non-farm	94	14.5
Town or City 10,000 to 50,000 Population	116	17.8
City of over 50,000 Population	41	6.3
City of over 100,000 Population	124	19.1
Other	3	.5
Missing Frequency	8	
Total	658	100.1 <sup>a</sup>

<sup>a</sup>Responses total more than 100% due to rounding.

### Employment of Other Persons by the Home-Based Business

The majority of respondents did not employ either family members (69.8%) or other persons (80.6%) in their business. Other studies have found that family members help in various ways if the business is located in the home. This may take the form of accepting more responsibility for household care and maintenance, answering the phone, or assisting the business owner during peak or rush periods. These family members may not receive a paycheck for this work. If responding yes to this question respondents were asked to specify who was employed. These responses included spouse, sibling, parents, children, or extended family members. Respondents indicated that they employed other persons on a part-time basis. Responses to the number of employees are summarized in Table V. Percent is based on 653 responses to employed family members and 656 responses to employed others.

TABLE V  
NUMBER OF EMPLOYEES

Employee	Frequency	Percent
<u>Family Members</u>		
Yes	197	30.2
No	456	69.8
Missing Frequency	5	
Total	658	100.0
<u>Non-Family Members</u>		
Yes	127	19.4
No	529	80.6
Missing Frequency	2	
Total	658	100.0



### Seasonal Business

The majority of the respondents (463) did not consider their business to be seasonal (71.0%). Many of the respondents (189) who listed their business seasonal (29.0 %) noted that the business was related to growing season (gardens).

Respondents reporting a Christmas tree business operation indicated they worked year round to maintain the business.

### Business Status

The large majority of the respondents (92.0%) indicated that they were self employed or were the business owner as opposed to working at home for another business (3.4%). The number of responses to this question was 648.

### Home-Based Business Categories

The types of home-based businesses operated in Oklahoma were divided into seven categories. These seven categories were developed using a variety of methods including: (1) the business listings which were obtained from the seminar registration forms, (2) business owners and prospective owners who requested information about starting or operating a business in or from the home, and (3) personal discussions with business owners. The categories included consulting services, skilled services, educational services, product manufacturing/fine arts, product sales, agriculture/forestry/fisheries, and tourism/recreation. A choice of "other" was also given. A review of the explanation/description of "other" indicated that the businesses reported under this choice could be incorporated into one of the seven categories. Respondents were forced to select only one category while in actuality the business may have operations in more than one category. This forced selection probably influenced the number of responses to the educational services category as some respondents indicated that they produced or sold a product as well as taught classes on how to make or use the product. The responses to business category are summarized in Table VI. The number of responses on which the percent is based was

657. These seven categories were collapsed into product-oriented and service-oriented types of businesses. Table VII summarizes the categories which were included in each of the two general classifications.

TABLE VI  
OKLAHOMA HOME-BASED BUSINESS CATEGORIES

Category	Frequency	Percent
Consulting Services	64	9.7
Skilled Services	196	29.9
Educational Services	16	2.4
Product Manufacturing/ Fine Arts	237	36.1
Product Sales	46	7.0
Agriculture/Forestry/ Fisheries	94	14.3
Tourism/Recreation	4	.6
Missing Frequency	1	
Total	658	100.0

TABLE VII  
TYPE OF BUSINESS ORIENTATION

Business Type	Frequency	Percent
<u>Service-oriented</u>		
Consulting Services	64	9.7
Skilled Services	196	29.9
Educational Services	16	2.4
Tourism/Recreation	4	.6
Total	280	42.6
<u>Product-oriented</u>		
Product Manufacturing/ Fine Arts	237	36.1
Product Sales	46	7.0
Agriculture/Forestry/ Fisheries	94	14.3
Total	377	57.4

### Objective Two

To identify demographic characteristics of Oklahoma home-based business owners.

Demographic questions were asked to develop a profile of Oklahoma home-based business owners. Questions were also asked about reasons for working at home and hours worked per week in the home business. Responses indicate the typical Oklahoma home-based business owner is married, female, and between the ages of 30-45 years of age. Over 75% of the respondents reported completing some college to completing a graduate degree. Table VIII summarizes the demographic findings of this study.

TABLE VIII  
DEMOGRAPHICS OF HOME-BASED BUSINESS OWNERS

Variable	Frequency	Percent
<u>Gender</u>		
Female	417	63.6
Male	239	36.4
Missing Frequency	2	
Total	658	100.0
<u>Age</u>		
30 Years or Under	53	8.1
30-45 Years	296	45.1
46-60 Years	226	34.4
Over 60 Years	82	12.5
Missing Frequency	1	
Total	658	100.1 <sup>a</sup>
<u>Marital Status</u>		
Single	47	7.1
Married	540	82.1
Divorced or Separated	51	7.8
Widowed	20	3.0
Total 658	100.0	
<u>Formal Education Level</u>		
Some High School	16	2.4
High School Graduate	90	13.8
Trade-Vocational School	48	7.3
Some College	189	28.9
Junior College\Associate Degree	49	7.5
College Graduate	120	18.3
Some Graduate School	67	10.2
Graduate Degree	75	11.5
Missing Frequency	4	
Total	658	99.9 <sup>b</sup>

<sup>a</sup>Responses total more than 100% due to rounding.

<sup>b</sup>Responses total less than 100% due to rounding.

### Reasons for Working in the Home

The reasons for working from home were varied. Respondents could select more than one reason. The reasons for working from the home and the responses are summarized in Table IX. These responses are listed in order of frequency. The percent is based on 650 responses to this question.

TABLE IX  
REASONS FOR WORKING IN A HOME-BASED BUSINESS

Reason	Frequency	Percent
Convenience	436	67.1
Low Overhead	400	61.5
Independence	312	48.0
Creative Expression	210	32.3
More Family Time	199	30.6
Can Do More Work	171	26.3
Tax Break	111	17.1
Have No Choice	69	10.6
Other	55	8.5

### Average Number of Hours Worked Per Week in Home-Based Business

The range of responses was from less than 10 hours to over 40 hours per week. The largest percent (26.3%) reported working over 40 hours per week in the home business. The responses are summarized in Table X. The percent is based on 646 responses.

TABLE X  
HOURS WORKED PER WEEK IN HOME-BASED BUSINESS

Hours	Frequency	Percent
10 or Less	132	20.4
11-20	151	23.4
21-30	117	18.1
31-40	76	11.8
Over 40	170	26.3
Missing Frequency	12	
Total	658	100.0

### Objective Three

To assess the economic impact of Oklahoma home-based businesses through gross income generation.

To determine the impact of home-based businesses on Oklahoma's economy questions were asked about gross income from the home-based business for the previous year, other employment, and type of income. Fourteen respondents indicated they were just starting their home-based business and their income was zero.

The highest percent of respondents reported gross income of \$3000 and under (47.4%), while 4.4 percent reported gross income of over \$75,000. Only 616 of 658 persons responded to this question. A summary of gross income ranges and percentages is given in Table XI.

TABLE XI  
1988 GROSS INCOME FOR HOME-BASED BUSINESS

Income Range	Frequency	Percent
\$3,000 and Under	292	47.4
\$3,000-\$4,999	68	11.0
\$5,000-\$9,999	75	12.2
\$10,000-\$14,999	52	8.4
\$15,000-\$19,999	25	4.1
\$20,000-\$29,000	29	4.7
\$30,000-\$49,000	24	3.9
\$50,000-\$74,999	24	3.9
Over \$75,000	27	4.4
Missing Frequency	42	
<b>Total</b>	<b>658</b>	<b>100.0</b>

#### Employment Outside the Home

Several respondents (38.5%) indicated that in addition to working in their home-based business they were also employed outside the home. However, the majority (61.5%) indicated that they were not employed outside of their home-based business.

#### Type of Home-Based Business Income

The majority (68.7%) of the respondents indicated that the income from their home-based business was supplemental. A review of the explanations to the choice of "other" indicated that this 15.8 % could be included in the supplemental income response. Collapsing responses to supplemental and "other" yields 84.5 percent of the income as being supplemental. The type of income is summarized in Table XII. The percent is based on 652 responses.

TABLE XII  
TYPE OF HOME-BASED BUSINESS INCOME

Type	Frequency	Percent
Total Income	101	15.5
Supplemental Income	448	68.7
Other	103	15.8
Missing Frequency	6	
Total	658	100.0

#### Objective Four

To assess the educational needs of Oklahoma home-based business owners.

To determine the educational needs of home-based business owners in Oklahoma five main areas were listed. The five areas included: financial recordkeeping, marketing yourself and your business, legal aspects of a home business, promotion (advertising/publicity), and family involvement and coping skills. Respondents could select more than one response to this question. Respondents were also given the opportunity to list other business educational needs. The majority of the respondents (71.3%) indicated a need for information related to the area of marketing of self and of the business. A summary of the educational needs is given in Table XIII.



TABLE XIII  
EDUCATIONAL NEEDS OF OKLAHOMA HOME-BASED  
BUSINESS OWNERS

Need	Frequency	Percent
Marketing	469	71.3
Promotion	382	58.1
Legal Aspects	345	52.4
Financial Recordkeeping	316	48.0
Family Involvement/Coping	120	18.2
Other	74	11.2
Total	1706	

#### Source of Home-Business Skills

The majority of the respondents (74.4 %) indicated that they were self educated in their business. Respondents could mark more than one response to this question. A summary of the responses is given in Table XIV. Each percent is based on 658 possible responses.

TABLE XIV  
ACQUISITION OF BUSINESS SKILLS

Source	Frequency	Percent
Self-educated	489	74.4
School Trained	169	25.7
Apprenticeship	24	3.7
Working for Another	128	19.5
Other	72	11.0
Total	882	

### Sources of Information for Operating Home-Based Business

Respondents were also asked to indicate their sources of obtaining information about operating their home-based business. Respondents could select more than one choice to this question. The source of information summary is presented in Table XV.

TABLE XV  
INFORMATION SOURCES OF HOME-BASED BUSINESS OWNERS

Source	Frequency	Percent
Friends	241	36.6
Other Home-Based Business Owners	242	36.8
Mass Media	118	17.9
County Court House Office	31	4.7
Cooperative Extension Service	157	23.9
Small Business Administration	70	10.6
Small Business Development Center	42	6.4
Oklahoma Department of Commerce	29	4.4
Other	214	32.6
Total	1144	

### Hypotheses Testing

The hypothesis to be tested in this study are:

- H1: There is no significant relationship between information needed and the age, gender, formal education level, or years in business.
- H2: There is no significant relationship between formal education level and sources of information and how home-based business skills were learned.

H3: There is no significant relationship between the gross income and the geographic location of the business, the years in business, gender, age, or business category

#### Results Pertaining to Hypothesis One

H1: There is no significant relationship between informational needs of Oklahoma home-based business owners and demographic factors such as: (1) age, (2) gender, (3) formal educational level, and (4) years business in operation.

Respondents were asked to indicate their need for information in the following areas: (1) financial recordkeeping, (2) marketing yourself and your business, (3) legal aspects of a home business, (4) promotion (advertising/publicity), and (5) family involvement and coping skills. Respondents were not limited on the number of responses to this question, but could mark all areas in which they needed additional information.

Chi square analysis found that age and the number of years the business had been in operation were significant factors in reflecting home-based business owners educational needs. There were significant differences between expected and observed frequencies for business owners 30-45 years of age and needed information in the areas of financial recordkeeping, legal aspects of operating a home-based business, marketing the home-based business, and in family coping skills. Businesses that had been in operation for one year or less and those that had been in operation from one to three years were found to have a significant difference between observed frequencies and expected frequencies in the areas of financial recordkeeping, marketing, and in promotion (advertising/publicity). Businesses that had been in operation for one year or less indicated a significant need for information about the legal aspects of operating a home-based business. Females indicated a greater educational need than males in the areas of marketing and legal aspects. In summary the age of the business owner, the number of years of business operation, and the

gender of the business owner were found to be significant factors in developing educational materials to meet the needs of home-based business owners. Table XVI summarizes the findings related to the educational needs of Oklahoma home-based business owners.

TABLE XVI  
CHI SQUARE VALUES OF EDUCATIONAL NEEDS OF  
OKLAHOMA HOME-BASED BUSINESS OWNERS

Business Information	No %	Yes %	$\chi^2$
<u>Financial Recordkeeping</u>			
Age	(n = 341)	(n = 316)	
30 Years or Under	3.35	4.72	
30-45 Years	19.48	25.57	
46-60 Years	19.79	14.61	
Over 60 Years	9.28	3.20	30.65*
Gender	(n = 341)	(n = 315)	
Male	20.12	16.31	
Female	31.86	31.71	1.59
Formal Education Level	(n = 339)	(n = 315)	
Some Highschool	.92	1.53	
Highschool Graduate	7.65	6.12	
Trade-Vocational School	3.52	3.82	
Some College	15.29	13.61	
Junior College\ Associate Degree	3.21	4.28	
College Graduate	9.33	9.02	
Some Graduate School	5.50	4.74	
Graduate Degree	6.42	5.05	4.45

TABLE XVI (Continued)

Business Information	No %	Yes %	$\chi^2$
Years in Business	(n = 334)	(n = 311)	
1 Year or Less	9.30	13.49	
1-3 Years	13.80	16.28	
4-10 Years	18.45	13.80	
More Than 10 Years	10.23	4.65	23.32*
<u>Marketing Self and Business</u>			
Age	(n = 189)	(n = 468)	
30 Years or Under	2.13	5.94	
30-45 Years	10.96	34.09	
46-60 Years	9.59	24.81	
Over 60 Years	6.09	6.39	19.11*
Gender	(n = 189)	(n = 467)	
Male	12.8	23.63	
Female	16.01	47.56	7.36*
Formal Education Level	(n = 187)	(n = 467)	
Some Highschool	1.07	1.38	
Highschool Graduate	4.59	9.17	
Trade-Vocational School	1.68	5.66	
Some College	7.34	21.56	
Junior College\			
Associate Degree	2.91	4.59	
College Graduate	5.50	12.84	
Some Graduate School	2.60	7.65	
Graduate Degree	2.91	8.56	7.83
Years in Business	(n = 188)	(n = 457)	
1 Year or Less	4.81	17.98	
1-3 Years	7.75	22.33	
4-10 Years	10.54	21.71	
More Than 10 Years	6.05	8.84	13.08*

TABLE XVI (Continued)

Business Information	No %	Yes %	$\chi^2$
<u>Legal Aspects</u>			
Age	(n = 312)	(n = 345)	
30 Years or Under	2.44	5.63	
30-45 Years	19.03	26.03	
46-60 Years	17.35	17.05	
Over 60 Years	8.68	3.81	26.38*
Gender	(n = 312)	(n = 344)	
Male	19.51	16.92	
Female	28.05	35.52	5.42**
Formal Education Level	(n = 309)	(n = 345)	
Some Highschool	1.38	1.07	
Highschool Graduate	7.34	6.42	
Trade-Vocational School	3.52	3.82	
Some College	13.15	15.75	
Junior College\			
Associate Degree	2.91	4.59	
College Graduate	7.65	10.70	
Some Graduate School	4.59	5.66	
Graduate Degree	6.73	4.74	9.10
Years in Business	(n = 308)	(n = 337)	
1 Year or Less	9.30	13.49	
1-3 Years	13.95	16.12	
4-10 Years	15.35	16.90	
More Than 10 Years	9.15	5.74	10.21**
<u>Promotion</u>			
Age	(n = 276)	(n = 381)	
30 Years or Under	3.96	4.11	
30-45 Years	17.35	27.70	
46-60 Years	14.16	20.24	
Over 60 Years	6.54	5.94	6.30*
Gender	(n = 276)	(n = 380)	
Male	17.07	19.36	
Female	25.00	38.57	3.54

TABLE XVI (Continued)

Business Information	No %	Yes %	$\chi^2$
Formal Education Level	(n = 273)	(n = 381)	
Some Highschool	1.07	1.38	
Highschool Graduate	7.19	6.57	
Trade-Vocational School	2.14	5.20	
Some College	11.62	17.28	
Junior College\ Associate Degree	3.21	4.28	
College Graduate	7.80	10.55	
Some Graduate School	4.43	5.81	
Graduate Degree	4.28	7.19	8.11
Years in Business	(n = 273)	(n = 372)	
1 Year or Less	7.75	15.04	
1-3 Years	11.47	18.60	
4-10 Years	14.73	17.52	
More Than 10 Years	8.37	6.51	14.13*
<u>Family and Coping Skills</u>			
Age	(n = 537)	(n = 120)	
30 Years or Under	6.24	1.83	
30-45 Years	33.79	11.26	
46-60 Years	30.14	4.26	
Over 60 Years	11.57	91	21.48*
Gender	(n = 537)	(n = 119)	
Male	30.49	5.95	
Female	51.37	12.20	.84
Formal Education Level	(n = 534)	(n = 120)	
Some Highschool	1.83	.61	
Highschool Graduate	12.39	1.38	
Trade-Vocational School	5.81	1.53	
Some College	23.09	5.81	
Junior College\ Associate Degree	5.05	2.45	
College Graduate	14.22	4.13	
Some Graduate School	8.41	1.83	
Graduate Degree	10.86	61	21.81*

TABLE XVI (Continued)

Business Information	No %	Yes %	$\chi^2$
Years in Business	(n = 529)	(n = 116)	
1 Year or Less	18.14	4.65	
1-3 Years	24.19	5.89	
4-10 Years	26.36	5.89	
More Than 10 Years	13.33	1.55	4.66

\*  $p < .01$

\*\*  $p < .05$

### Results Pertaining to Hypothesis Two

H2: There is no significant relationship between formal education level and sources of information and how home-based business skills were learned.

There were no significant findings between formal educational level and sources of information for operating a home-based business, however 37 percent of the respondents indicated they obtained information from friends and other home-based business owners. This finding indicates that a networking or mentor system could be beneficial to home-based business owners. Respondents selecting "other" indicated that they obtained information about business management and operation from magazines and books.

Table XVII presents the results pertaining to the formal education level of Oklahoma home-based business owners and where they obtain information about owning and operating a home-based business.



TABLE XVII  
 CHI SQUARE VALUES OF FORMAL EDUCATION LEVEL  
 AND SOURCES OF BUSINESS INFORMATION

Source of Information	No %	Yes %	$\chi^2$
Friends	(n = 413)	(n = 241)	
Some Highschool	1.68	.76	
Highschool Graduate	8.87	4.89	
Trade-Vocational School	4.43	2.91	
Some College	19.11	9.79	
Junior College\ Associate Degree	4.43	3.06	
College Graduate	10.24	8.10	
Some Graduate School	6.27	3.98	
Graduate Degree	8.10	3.36	6.18
Other Home-Based Business Owners	(n = 413)	(n = 241)	
Some Highschool	1.53	.92	
Highschool Graduate	8.56	5.20	
Trade-Vocational School	4.28	3.06	
Some College	19.11	9.79	
Junior College\ Associate Degree	4.43	3.06	
College Graduate	11.93	6.42	
Some Graduate School	5.50	4.74	
Graduate Degree	7.80	3.67	5.06
Mass Media	(n = 536)	(n = 118)	
Some Highschool	2.14	.31	
Highschool Graduate	11.47	2.29	
Trade-Vocational School	6.12	1.22	
Some College	23.85	5.05	
Junior College\ Associate Degree	5.81	1.68	
College Graduate	14.83	3.52	
Some Graduate School	8.72	1.53	
Graduate Degree	9.02	2.45	2.29

TABLE XVII (Continued)

Source of Information	No %	Yes %	$\chi^2$
County Court House Offices	(n = 536)	(n = 118)	
Some Highschool	2.14	.31	
Highschool Graduate	13.15	.61	
Trade-Vocational School	7.03	.31	
Some College	27.68	1.22	
Junior College\ Associate Degree	7.03	.46	
College Graduate	17.13	1.22	
Some Graduate School	10.09	.15	
Graduate Degree	11.01	.46	5.14
Cooperative Extension Service	(n = 497)	(n = 157)	
Some Highschool	1.53	.92	
Highschool Graduate	9.94	3.82	
Trade-Vocational School	5.66	1.68	
Some College	23.24	5.66	
Junior College\ Associate Degree	5.66	1.83	
College Graduate	13.91	4.43	
Some Graduate School	7.95	2.29	
Graduate Degree	8.10	3.36	5.63
Small Business Administration	(n = 584)	(n = 70)	
Some Highschool	2.14	.31	
Highschool Graduate	12.39	1.38	
Trade-Vocational School	6.57	.76	
Some College	25.08	3.82	
Junior College\ Associate Degree	6.27	1.22	
College Graduate	16.51	1.83	
Some Graduate School	9.79	.46	
Graduate Degree	10.55	.92	6.34

TABLE XVII (Continued)

Source of Information	No %	Yes %	$\chi^2$
Small Business Development Centers	(n = 612)	(n = 42)	
Some Highschool	2.45	.00	
Highschool Graduate	13.30	.46	
Trade-Vocational School	6.73	.61	
Some College	26.61	2.29	
Junior College\			
Associate Degree	6.88	.61	
College Graduate	17.74	.61	
Some Graduate School	9.48	.76	
Graduate Degree	10.40	1.07	6.87
Oklahoma Department of Commerce	(n = 626)	(n = 28)	
Some Highschool	2.45	.00	
Highschool Graduate	13.15	.61	
Trade-Vocational School	7.19	.15	
Some College	27.68	1.22	
Junior College\			
Associate Degree	7.19	.31	
College Graduate	17.43	.92	
Some Graduate School	9.94	.31	
Graduate Degree	10.70	.76	2.76
Other	(n = 440)	(n = 213)	
Some Highschool	1.84	.61	
Highschool Graduate	10.11	3.68	
Trade-Vocational School	4.90	2.45	
Some College	19.45	9.34	
Junior College\			
Associate Degree	5.05	2.45	
College Graduate	12.86	5.51	
Some Graduate School	5.36	4.90	
Graduate Degree	7.81	3.68	9.26

Table XVIII presents the responses to the formal education level of home-based business owners in Oklahoma and where they acquired business skills. Self education was indicated as a significant method of acquiring business skills by respondents who were highschool graduates and those who had some college level education. Only 25 percent indicated that they acquired business skills through the school system.

TABLE XVIII  
CHI SQUARE VALUES OF FORMAL EDUCATION LEVEL  
AND BUSINESS SKILLS ACQUISITION

Acquisition Method	No %	Yes %	$\chi^2$
Self Educated	(n = 167)	(n = 486)	
Some Highschool	.46	1.99	
Highschool Graduate	1.68	12.10	
Trade-Vocational School	1.68	5.67	
Some College	6.89	22.05	
Junior College\			
Associate Degree	2.14	5.36	
College Graduate	5.67	12.71	
Some Graduate School	2.60	7.50	
Graduate Degree	4.44	7.04	18.04**
School Trained	(n = 484)	(n = 169)	
Some Highschool	2.14	.31	
Highschool Graduate	13.02	.77	
Trade-Vocational School	5.05	2.30	
Some College	23.58	5.36	
Junior College\			
Associate Degree	4.90	2.60	
College Graduate	11.94	6.43	
Some Graduate School	6.28	3.83	
Graduate Degree	7.20	4.29	5.06*

TABLE XVIII (Continued)

Acquisition Method	No %	Yes %	$\chi^2$
Apprenticeship	(n = 629)	(n = 24)	
Some Highschool	2.45	.00	
Highschool Graduate	13.78	.00	
Trade-Vocational School	6.89	.46	
Some College	27.41	1.53	
Junior College\ Associate Degree	7.04	.46	
College Graduate	17.30	1.07	
Some Graduate School	10.11	.00	
Graduate Degree	11.33	.15	12.42
Working for Someone Else	(n = 525)	(n = 128)	
Some Highschool	2.14	.31	
Highschool Graduate	11.79	1.99	
Trade-Vocational School	6.13	1.23	
Some College	21.59	7.35	
Junior College\ Associate Degree	5.67	1.84	
College Graduate	15.47	2.91	
Some Graduate School	7.35	2.76	
Graduate Degree	10.26	1.23	14.41**
Skills Learned from other Sources	(n = 582)	(n = 71)	
Some Highschool	2.14	.31	
Highschool Graduate	11.03	2.76	
Trade-Vocational School	7.04	.31	
Some College	25.73	3.22	
Junior College\ Associate Degree	6.74	.77	
College Graduate	11.70	1.38	
Some Graduate School	9.04	1.07	
Graduate Degree	10.41	1.07	11.64

\*p &lt; .01

\*\*p &lt; .05

### Results Pertaining to Hypothesis Three

H3: There is no significant relationship between the gross income and the geographic location of the business, the years in business, business category, gender or age.

There was no significant relationships found between gross income and geographic location, age, or business category. The observed yearly gross income levels for females were significantly lower than the expected frequencies. Females were over represented in gross income levels from \$14,999 to below \$3,000. This finding could be the result of females working fewer hours in a home-based business or it could indicate they need to develop skills related to business management. Table XIX through Table XXIII summarize the results pertaining to hypothesis three. Several cells had fewer than five responses, and should be interpreted statistically with caution.

TABLE XIX  
CHI SQUARE VALUES OF GROSS INCOME AND GEOGRAPHIC LOCATION

	Geographic Location					
	Farm\ Ranch	Rural Not on a farm	Town Under 10,000	Town\City 10,000 50,000	City Over 50,000	City Over 100,000
	%	%	%	%	%	%
<u>Gross Income</u>						
0	.00*	.96	.16*	.64*	.00*	.48*
\$3,000 & under	8.51	8.83	6.74	8.67	4.17	9.15
\$3,000-\$4,999	1.93	2.89	2.25	2.57	.00*	1.28
\$5,000-\$9,999	1.93	3.53	1.28	1.93	.96	2.25
\$10,000-\$14,999	1.77	1.61	.96	1.12	.64*	1.93
\$15,000-\$19,999	.96	1.12	.64*	.48*	.16*	.64*
\$20,000-\$29,999	.96	1.12	.96	.48*	.00*	1.12
\$30,000-\$49,999	.32*	1.28	.64*	.32*	.32*	.80
\$50,000-\$74,999	1.28	1.28	.32*	.48*	.00*	.48*
Over-\$75,000	.96	1.28	.32*	.64*	.16*	.96

$$\chi^2 (54, N = 623) = 62.34$$

\*Cells having expected counts less than 5.

TABLE XX  
CHI SQUARE VALUES OF GROSS INCOME AND LENGTH OF OPERATION

	Length of Operation			
	1 year or less	1-3 Years	4-10 Years	More than 10 Years
	%	%	%	%
<u>Gross Income</u>				
0	2.09	.16*	.00*	.00*
\$3,000 & under	16.59	15.46	10.95	3.54
\$3,000-\$4,999	.97	4.67	3.86	.97
\$5,000-\$9,999	1.45	3.70	4.99	1.93
\$10,000-\$14,999	.32*	2.25	3.54	1.93
\$15,000-\$19,999	.00*	.97	2.25	.81
\$20,000-\$29,999	.16*	.81	2.09	1.61
\$30,000-\$49,999	.64*	.81	2.09	.32*
\$50,000-\$74,999	.16*	1.13	1.29	1.29
Over-\$75,000	.16*	.64*	.81	2.58

$$\chi^2 (27, N = 621) = 194.83, p < .01$$

\*Cells having expected counts less than 5.



TABLE XXI  
CHI SQUARE VALUES OF GROSS INCOME AND GENDER

	Gender of Business Owner	
	Male	Female
	%	%
<u>Gross Income</u>		
0	.32*	1.91
\$3,000 & under	13.38	32.96
\$3,000-\$4,999	2.39	8.44
\$5,000-\$9,999	3.34	8.60
\$10,000-\$14,999	3.82	4.46
\$15,000-\$19,999	2.23	1.75
\$20,000-\$29,999	3.03	1.59
\$30,000-\$49,999	2.23	1.43
\$50,000-\$74,999	2.87	.96
Over-\$75,000	2.55	1.75

$$\chi^2 (9, N = 628) = 62.99, p < .01$$

\*Cells having expected counts less than 5.

TABLE XXII  
CHI SQUARE VALUES OF GROSS INCOME AND AGE

	Age of Business Owner			
	30 or Under	30-45 Years	46-60 Years	Over 60 Years
	%	%	%	%
<u>Gross Income</u>				
0	.16*	.48*	1.27	.32*
\$3,000 & under	4.45	20.03	15.58	6.20
\$3,000-\$4,999	.95	4.61	4.13	1.11
\$5,000-\$9,999	.95	6.36	2.70	1.91
\$10,000-\$14,999	.48*	4.29	2.38	1.11
\$15,000-\$19,999	.32*	1.75	.95	.95
\$20,000-\$29,999	.16*	2.70	1.59	.16*
\$30,000-\$49,999	.16*	2.23	1.11	.32*
\$50,000-\$74,999	.32*	1.27	2.23	.00*
Over-\$75,000	.48*	1.43	2.07	.32*

$$\chi^2 (27, N = 629) = 32.22$$

\*Cells having expected counts less than 5.

TABLE XXIII  
CHI SQUARE VALUES OF GROSS INCOME AND BUSINESS CATEGORY

Gross Income	Business Category						
	Consulting Services	Skilled Services	Educational Services	Product Mfg\ Fine Arts	Product Sales	Agriculture Forestry Fisheries	Tourism Recreation
	%	%	%	%	%	%	%
\$3,000 & under	3.74	12.85	1.63	19.51	2.93	6.83	.00***
\$3,000-\$4,999	.81	2.93	.33***	5.04	.65***	.98	.16***
\$5,000-\$9,999	1.79	3.41	.00***	5.37	.49***	1.14	.00***
\$10,000-\$14,999	1.14	3.09	.16	2.11	.65***	1.14	.16***
\$15,000-\$19,999	.49***	.98	.00***	1.46	.16***	.98	.00***
\$20,000-\$29,999	.33***	1.79	.00***	1.63	.16***	.81	.00***
\$30,000-\$49,999	.81	1.46	.16***	.49***	.16***	.81	.00***
\$50,000-\$74,999	.33***	1.46	.00***	.98	.33***	.65***	.16***
Over-\$75,000	.49***	2.11	.00***	.33***	.49***	.98	.00***

$\chi^2$  (48, N = 615) = 59.34

\*\*\*Cells having expected counts less than 5.

## VITA

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