

SMALL BUSINESS ENVIRONMENTAL INFORMATION SOURCES



74 percent of businesses believe that environmental regulations significantly affect their businesses now....

.....but where do they get the information they need?

Small Business Environmental Information Sources

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Introduction

The current trend in environmental protection is more stringent regulations that encompass all businesses, including the very small. While larger companies have the staff and financial resources to comply and remain competitive, this can be burdensome for the newly regulated small businesses that do not have the budgets to support environmental consultants or staff members. The majority of these businesses desire compliance and understand the purpose of the regulations, but do not know where to look for current requirements. When they do find information, it is often difficult to interpret.

During the seven years that the Iowa Waste Reduction Center (IWRC) has been providing technical assistance to small businesses, staff members have learned this first hand. Small business owners and operators are often uninformed or misinformed about environmental regulations and the requirements of their small businesses. Unfortunately, many learn the hard way, when they are assessed crippling fines for violations.

Across the United States, small business environmental assistance programs provide a wide scope of services to small businesses, but need to know the most effective methods of assistance. To maximize effectiveness, information must be disseminated through the proper channels in a format that is useable to the business.

The Survey

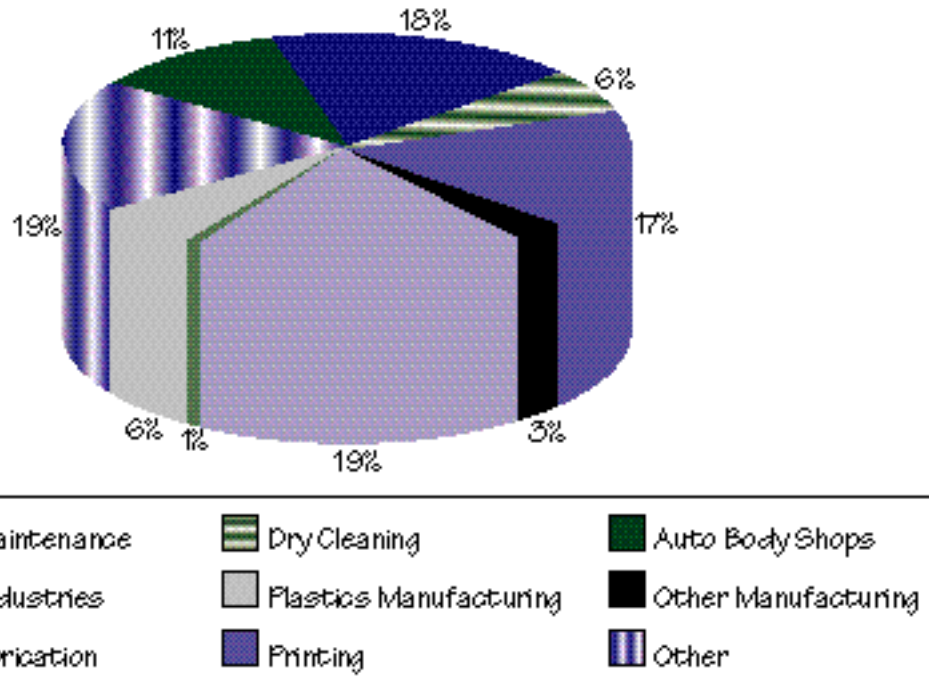
In an effort to determine how small businesses want to receive their environmental information, we asked them. The Small Business Pollution Prevention Center, operated by the IWRC, surveyed businesses nationwide on how they currently receive environmental information, and how they would prefer to receive it. The IWRC mailed surveys to 500 small businesses in Iowa and to 1500 businesses outside of EPA Region VII. The businesses were randomly selected by Standard Industrial Classification code and surveyed by mail, phone or in person. The in-state mailing list was compiled from Department of Labor records of businesses employing fewer than 200 employees. The national list was compiled using phone directories.

The state survey return exceeded 40 percent. The national return was far less, however, it supports the state results. To encourage response, the IWRC included a publications list with the survey and offered a free manual, a \$10 value, and free

fact sheets in lieu of a completed survey. All national survey respondents requested information of some type.

Of the respondents, 63 percent employ fewer than 20 people, 80 percent employ fewer than 50. Only 3.7 percent of the responses came from businesses employing more than 200, so the majority of our respondents are truly small businesses. Table 1 displays the breakdown of respondents by industry type.

Table 1.
Survey Respondents by Industry Type



A copy of the survey is included in Appendix A.

The survey asked small business people whether or not they thought environmental regulations impacted their businesses now or would in the future. Of the businesses surveyed, 74 percent believe that environmental regulations significantly affect their businesses now. An additional 12 percent believe that environmental regulations will impact their businesses in the future. The survey also questioned them about their current knowledge of environmental regulations and what they perceived their needs to be.

Results

Areas of Needed Assistance

Respondents were asked with which regulations they need assistance and with which they feel comfortable. The most common response to both questions was

hazardous waste regulations: 40.5 percent of the respondents indicated that they are most knowledgeable about hazardous waste regulations while 30.88 percent indicated needing the most assistance with them.

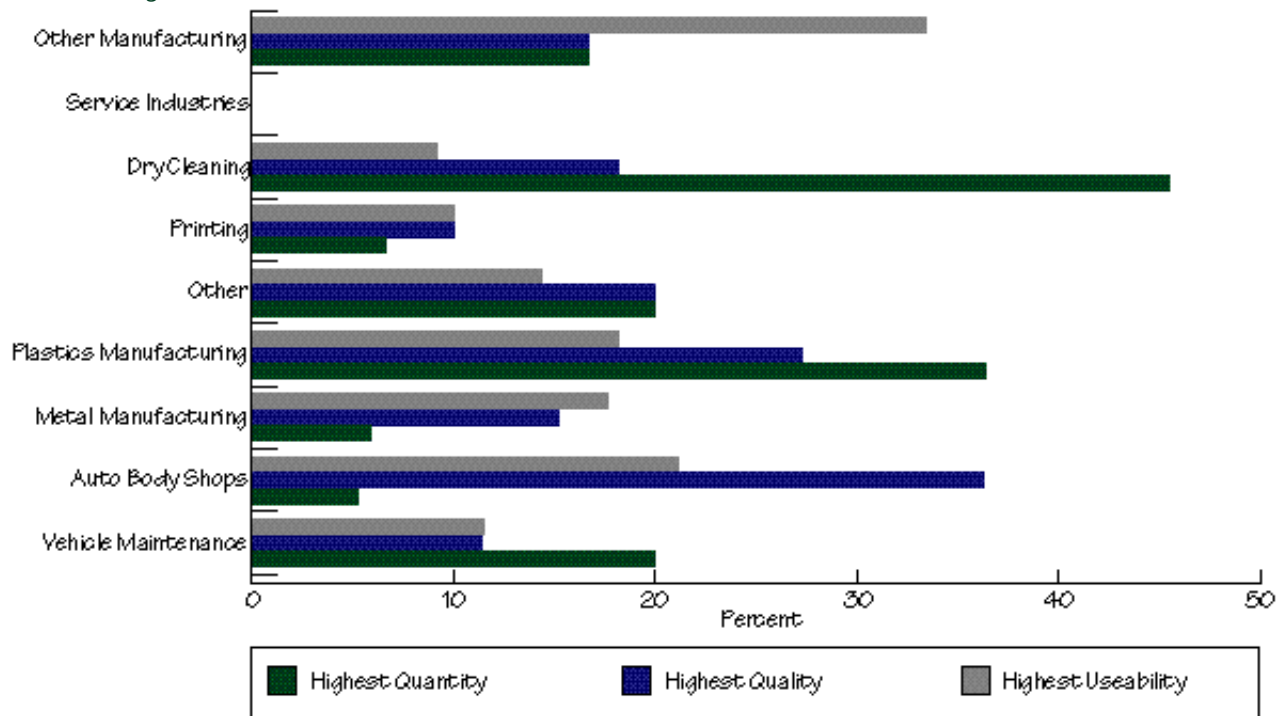
The second most commonly selected set of regulations with which businesses need assistance are air regulations. However, the second most common response was that businesses need assistance with all environmental regulations.

Opinion of Current Information Received

Respondents rated the quantity and quality of environmental information, and their ability to use it, on a scale of 1 to 5, with 1 being poor and 5 being exceptional. Dry cleaners indicated receiving the highest quantities of information. This is in part attributed to the timing of the survey. The survey was conducted shortly after the new perchloroethylene dry cleaning regulation was released. Dry cleaners were receiving literature on the new rule from many sources: the EPA, state regulatory agencies and technical assistance programs, as well as their trade associations.

Table 2 shows the comparison of how frequently each industry type rated information quantity, quality and useability at the highest rating.

Table 2.
Industry Evaluation of Current Information



Of all businesses surveyed, 74 percent believe they receive adequate amounts of environmental information. Survey statistics indicate that respondents who believe the quality and quantity of information is good to excellent also believe they are

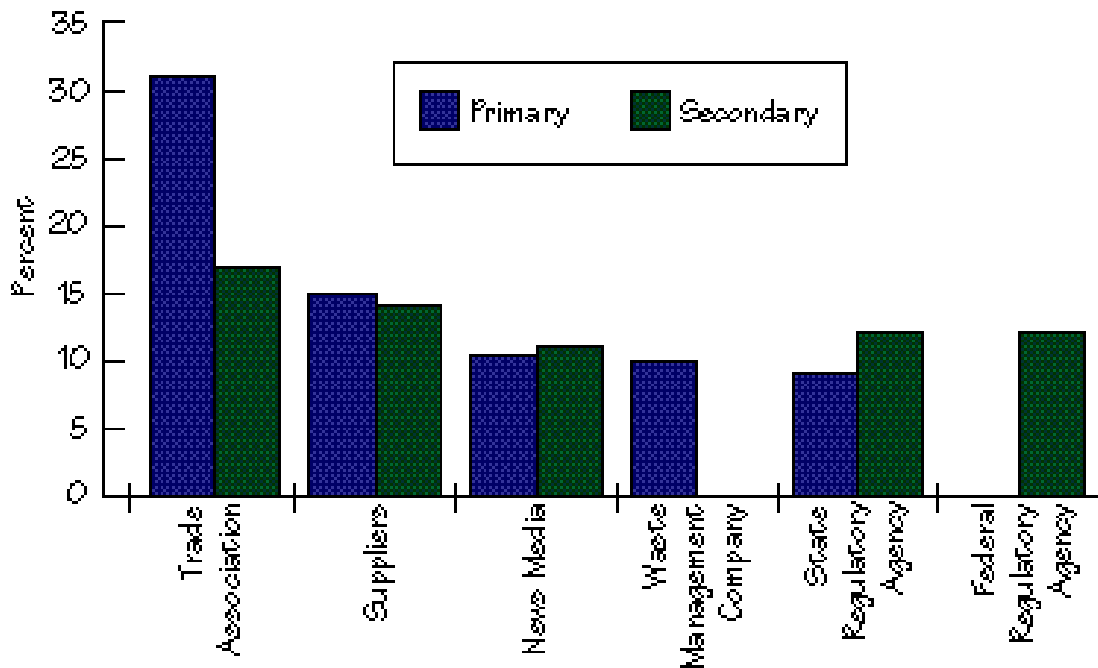
good to excellent at comprehending it. The same is true of those indicating that all are poor.

It is interesting that industries indicating high quantities and good quality of information rate useability low. If businesses are receiving good quality and adequate quantity of this information, why is it not useable? Most likely, the information is either vague, not industry specific or is very technically written. This oftentimes makes it difficult for the reader to apply what is read to his or her facility.

Actual vs. Preferred Information Sources

The actual information sources of small businesses and their preferred sources may not always be the same. Respondents' selections of current primary and secondary sources are displayed in Table 3.

Table 3.
Preferred Primary and Secondary Sources of Information

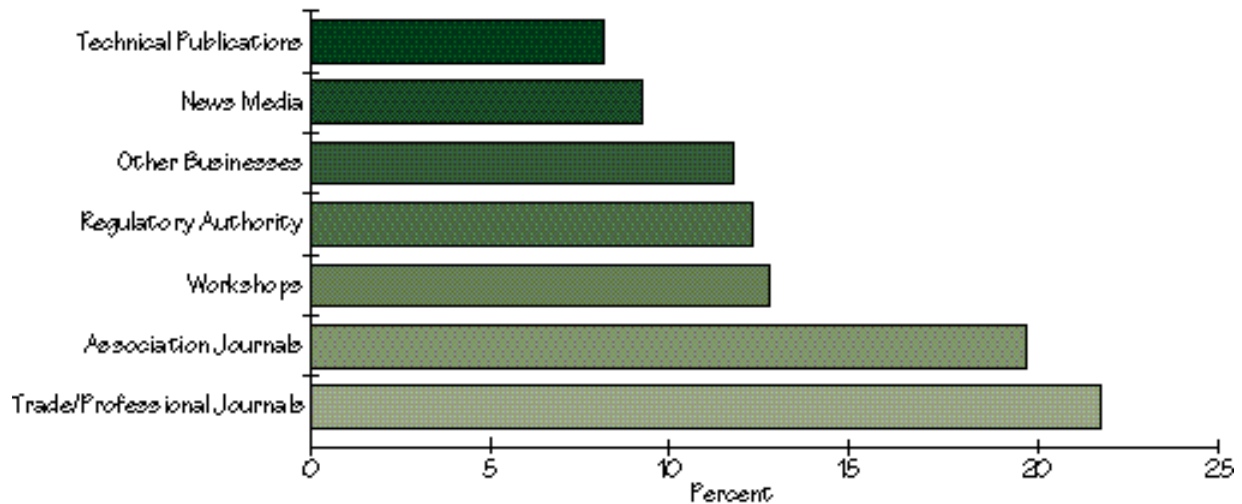


Throughout the survey, businesses overwhelmingly selected their trade associations as their most favored and most relied upon source. Product and equipment suppliers were the second most frequently selected source. Although businesses indicated that they would, and do, contact federal and state regulatory agencies for information, the news media was more frequently selected as a source than federal regulatory agencies. This is alarming because the news media does not frequently or accurately report on the regulatory requirements of businesses.

As the most common primary source is trade associations, the most primary medium, or type of material, is trade association publications such as magazines and newsletters. Workshops and presentations were the second most common medium.

Table 4 shows the most frequently selected actual methods of environmental regulatory information gathering.

Table 4.
Actual Source Most Frequently Chosen by Small Businesses for Environmental Information



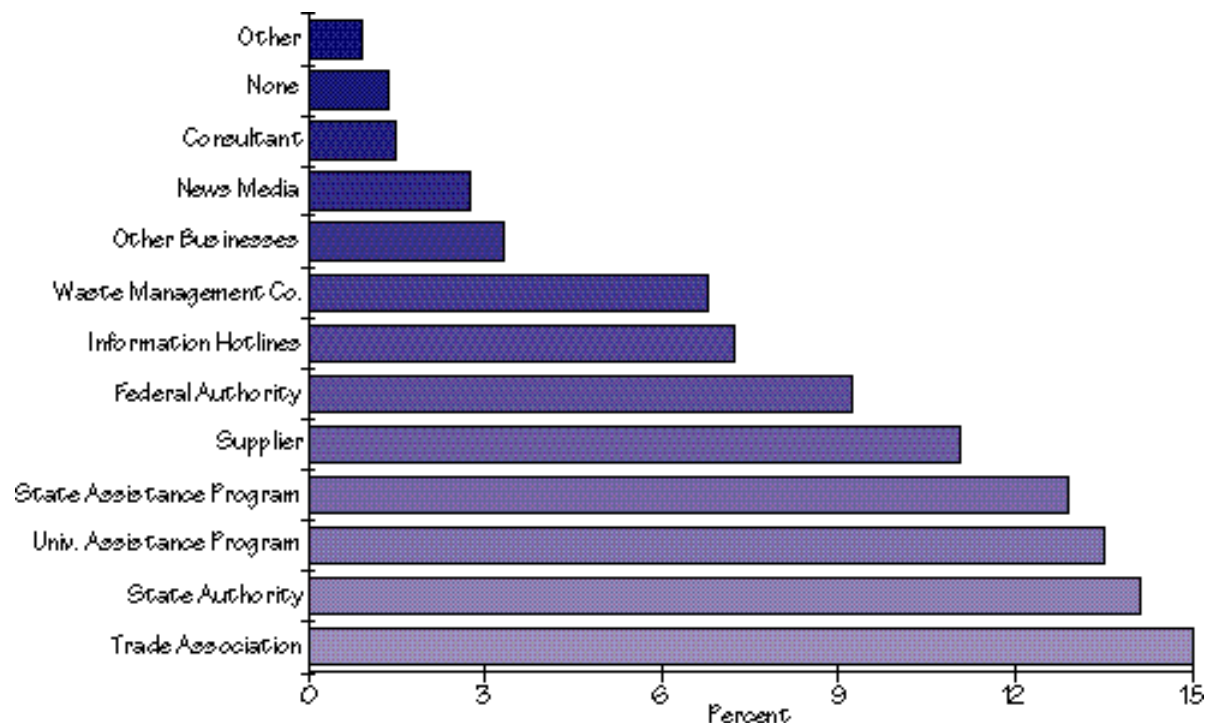
Unsurprisingly, trade associations were also the most frequently selected preferred source of information. Source frequencies are shown in Table 5.

Although trade associations were most commonly preferred, businesses indicated that they would like to receive information from technical assistance programs and university or college extension programs. When asked to select their top four preferred sources, university assistance programs and state assistance programs were selected by 13.5 percent and 13 percent of the respondents, respectively.

To determine where businesses are learning about the different regulatory areas, responses were sorted based on the regulation and the respondent's primary source and preferred source.

Businesses that indicated that they are most familiar with hazardous waste regulations indicated their actual primary sources of information to be, in order of preference: industry magazines and newsletters, trade association publications, and calling regulatory authorities. Preferred sources were: trade association, federal agency, university extension and technical assistance programs.

Table 5 .
Most Preferred Source of Information



Businesses indicating that they are most familiar with solid waste regulations primarily seek information from their trade associations, industry publications and calling regulatory authorities. These respondents prefer to use their trade associations, technical assistance programs, the federal agency and their equipment suppliers.

The primary sources of businesses most familiar with air regulations are trade associations, regulatory authorities, trade publications and workshops. The most preferred sources are federal agency, trade associations, suppliers, information hotlines and technical assistance programs.

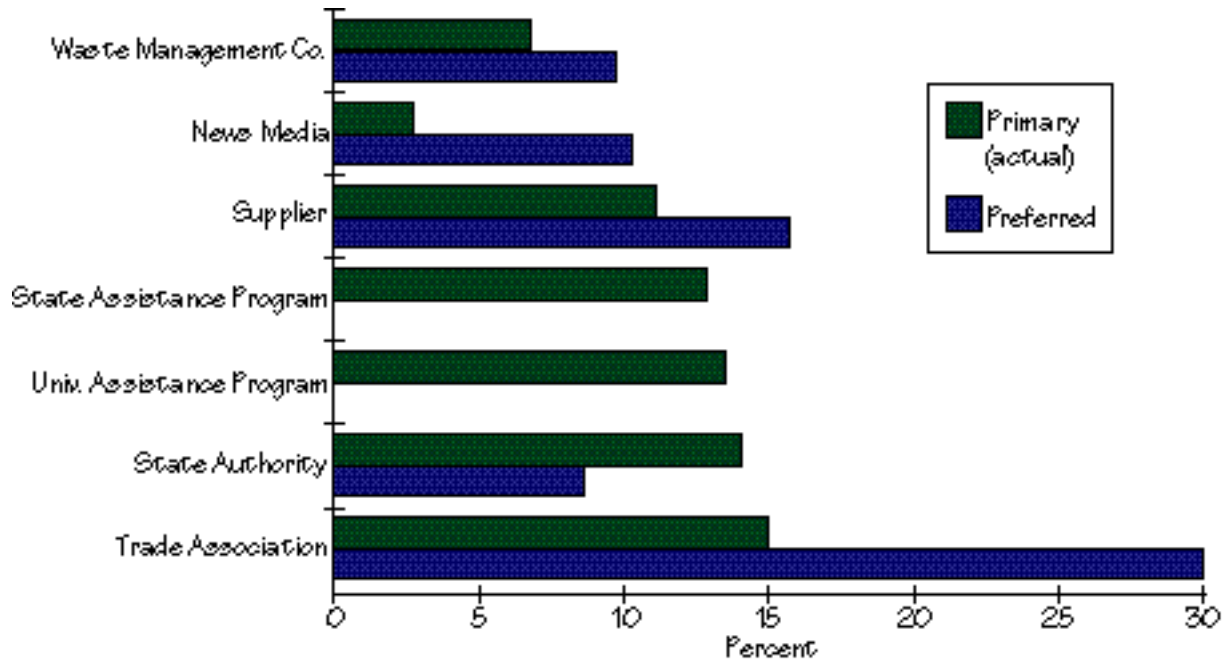
Businesses most familiar with water regulations primarily find information at workshops and presentations, reading industry newsletters and magazines, calling regulatory agencies and trade associations. Their preferred sources are: technical assistance programs, suppliers, federal regulatory agencies and university extension programs.

Those that signified that they are comfortable with all environmental regulations primarily use regulatory agencies, trade associations, and industry publications as sources. Their preferred sources are technical assistance programs, state regulatory agencies, trade associations and university extension programs, in that order.

Those businesses needing assistance with all environmental regulations primarily call regulatory agencies and trade associations, and read industry publications. The three top responses to preferred source are trade associations, federal regulatory agency and none; indicating that they prefer to be unaware of the requirements.

Table 6 is a comparison of the top five preferred sources to the most popular actual primary source. The table indicates that small businesses aren't always using their preferred sources. The table also indicates that small businesses would like more input from their state authorities and state and university sponsored assistance programs.

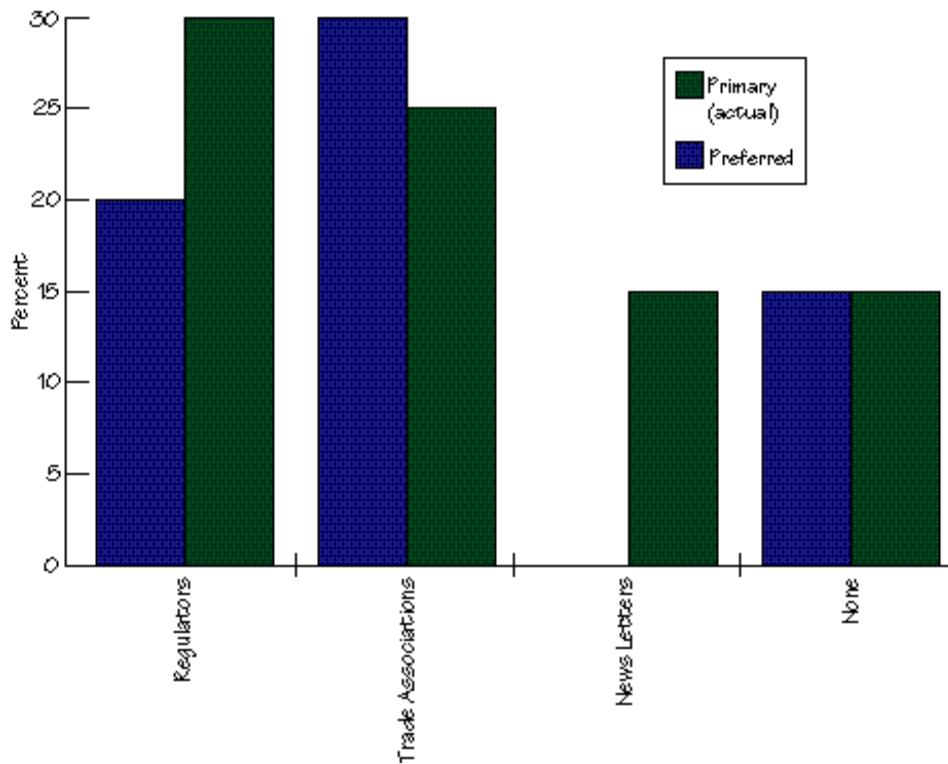
Table 6.
Comparison of Top Five Preferred Sources and Primary Sources



The primary sources and preferred sources of businesses responding that they need assistance with all environmental regulations are displayed in Table 7.

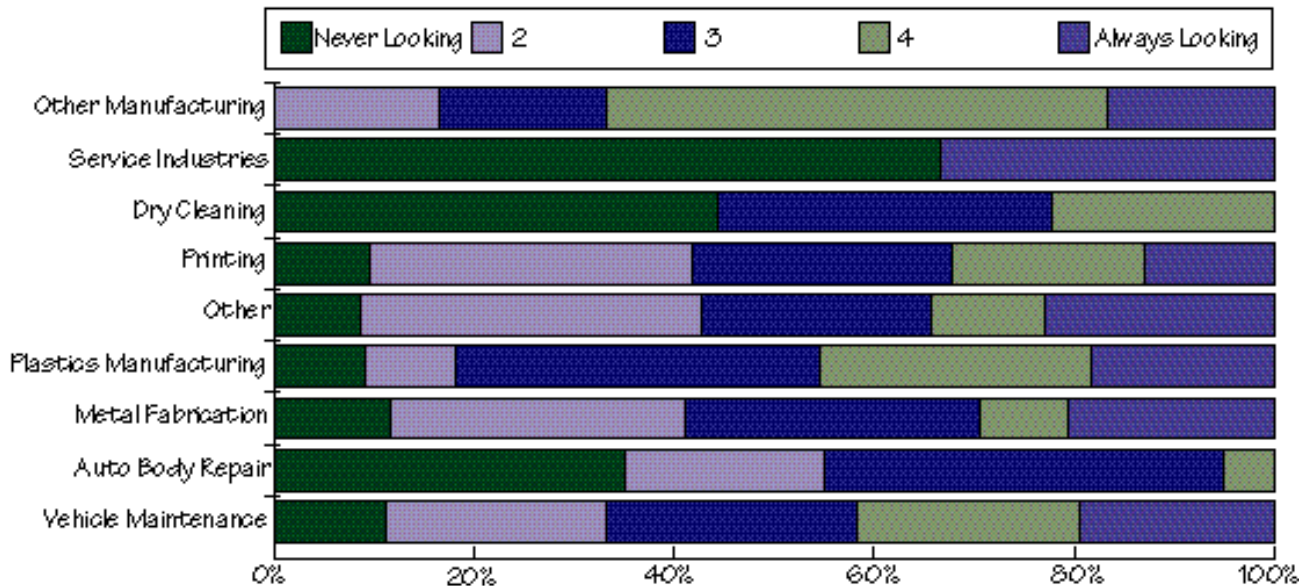
Businesses that indicated that they "very actively" and "most actively seek" environmental information, also indicated that they most commonly read magazines or technical journals as primary information sources. Asking product and/or equipment suppliers, and attending workshops were selected as reinforcement sources. Those that "actively seek" or "somewhat actively seek" appear to be more inclined to ask someone, such as a supplier or technical assistance program before trying to find the information themselves. These two groups account for 43 percent of the survey respondents. The remaining 57 percent seldom or never seek environmental compliance information on their own.

Table 7.
Primary and Preferred Sources of Businesses Needing Assistance
With All Regulations



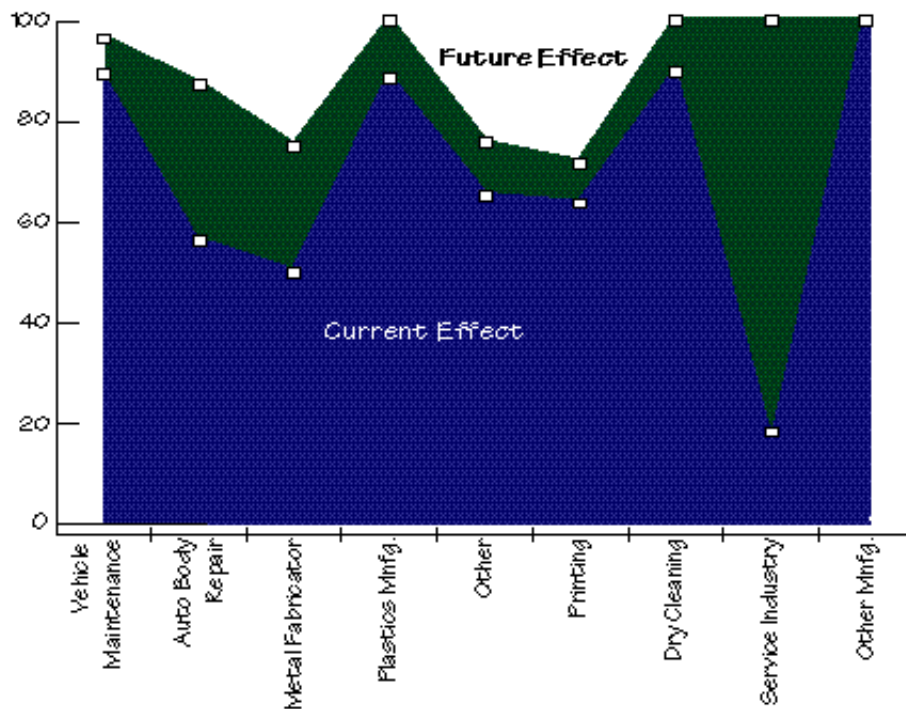
The respondents were asked to rate how frequently they seek information on a scale of 1 to 5, with 1 being "never looking" and 5 as "always looking." The breakdown by industry type is displayed in Table 8.

Table 8.
Frequency of Small Businesses Seeking Environmental Information



Small business people were asked if environmental regulations currently affect their businesses and if the regulations will affect their businesses in the future. Most industries appear aware of regulations becoming more stringent, but responses indicate that many small businesses are ignorant of current requirements. Table 9, below indicates the responses. Although 65 percent of auto body shop owners realize that environmental regulations, most likely hazardous waste regulations, apply to them, 35 percent of the respondents did not. Printers' responses indicate that about 23 percent of the industry is either unaware of upcoming air regulations to reduce VOC emissions or has no intent to comply.

Table 9.
Perception of Current and Future Applicability of Environmental Regulations



Industry responses were narrowed further by business type and opinions of the applicability of each environmental regulation. Most business operators realize that hazardous wastes are regulated and must be properly managed, but less obvious waste streams, such as water and air, are more commonly overlooked.

More than half of all industries surveyed, except metal fabricators and service industries, realized that hazardous waste regulations are somewhat relevant to their waste streams. Almost 74 percent of auto body shops and 68.5 percent of vehicle maintenance facilities responding said that these regulations are relevant to some degree, and almost 60 percent of dry cleaners indicated that hazardous waste regulations are very relevant to their businesses. Only 9 percent said hazardous waste regulations do not affect their businesses. (This may or may not be true.) Realizing that a large percent of the businesses surveyed are aware of regulations, a large percent are unaware. Over 32 percent of printers and 33 percent of other manufacturers said that these rules were not applicable.

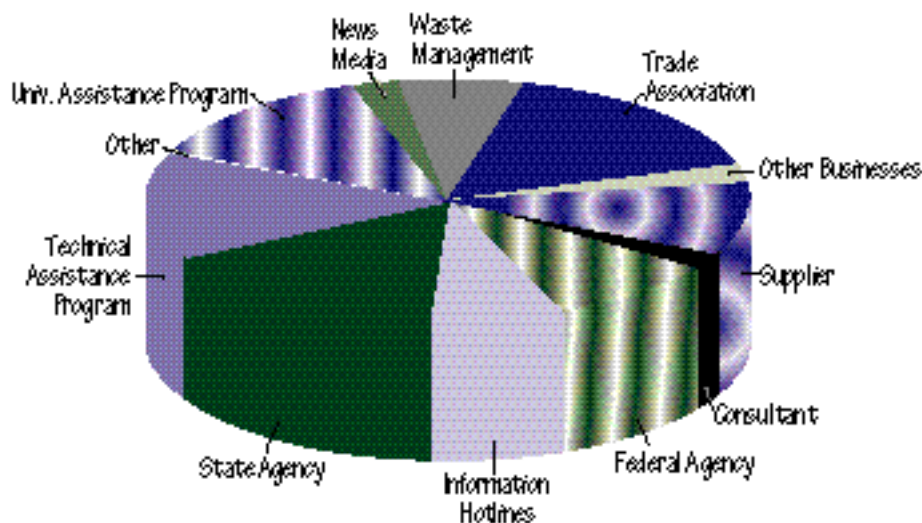
When asked about air regulations, respondents appear to be less aware of applicability. The only group (dry cleaners) regulated by a hazardous air pollutant emission standard at the time of this survey indicated that it was well informed about the air rules and their applicability. This is most likely a direct result of targeted mass mailing educational material by several groups. Dry cleaners responded 72.73 percent that these regulations are very relevant. The same 9 percent that said hazardous waste regulations did not affect their businesses said that air regulations were not applicable also. This group is most likely using solvents other than perchloroethylene, new processes, or are unaware of current requirements.

In early spring, the EPA issued Alternative Control Technology Guidelines for the printing industry. Little to no educational information was disseminated by regulators or technical assistance programs in the survey area. Printers surveyed indicated 62 percent that air regulations were not applicable. Other industries regulated for air emissions that currently do not have industry specific requirements are also unaware of what is required. Almost two-thirds of other manufacturing and almost half of auto body shops responded that the air regulations are not applicable to their businesses although most are regulated to some extent and have permitting requirements that vary from state to state.

Survey participants responded similarly to water regulatory applicability. Most vehicle maintenance facilities discharge shop water that contains minimal amounts of oil and some discharge antifreeze, yet 45.5 percent responded that wastewater regulations do not apply to them. More than 65 percent of printers also responded this way, even though most discharge photoprocessing chemistry to the city sewer.

The primary information sources of small businesses indicating they frequently seek environmental information are shown in Table 10.

Table 10 .
Information Sources of Businesses Actively Seeking Environmental Information

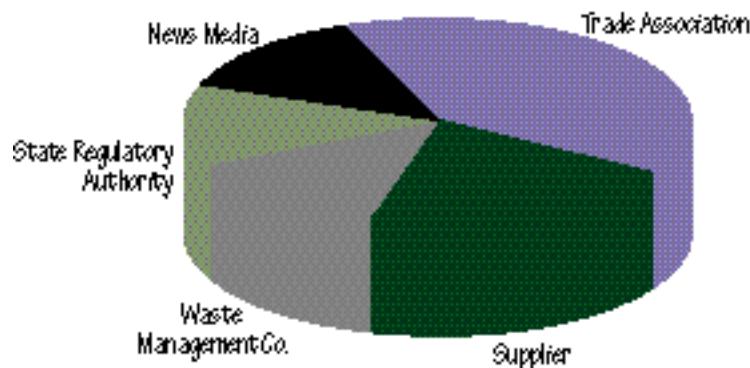


Small Businesses' View of Technical Assistance Programs

The survey indicated that it is important for a technical assistance program to be confidential. Of the respondents, 77 percent would be more inclined to use a confidential program and 61 percent said that they would not use a program that was not confidential. Only 5 percent of the respondents would not use any technical assistance program.

Table 11.

Top Five Primary Sources of Businesses Indicating They Would Use A Technical Assistance Program



Conclusions

The survey results indicate that businesses primarily rely on and trust their trade associations for good environmental regulatory information. This is no great secret to any technical assistance provider. The challenge for technical assistance programs lies in making contacts within the trade associations. An even greater challenge is reaching those small businesses that do not belong to these associations.

Technical assistance programs can reach small businesses through many of the channels that survey respondents indicated using for information. Program personnel should make establishing good relationships with state and local chapters of trade associations and industry groups a first priority. Associations most often welcome expertise in areas as new and complex as environmental regulations and appreciate the input. Assistance programs should inform all associations of the services available to their small business members and volunteer to write articles for association publications and speak at meetings. This provides topical information to members as well as publicizes your program as a knowledgeable source.

To reach those that are not trade association members as well as those that are, targeted mass mailings can be quite effective. Industry type can be selected out of many publicly available data bases by Standard Industrial Classification Code. Consult sources such as electronic versions of individual state manufacturers'

directories, which list all manufacturers in the state and can be sorted by numerous variables; and other publicly available sources such as your labor department. Businesses are required to report all types of information that is public, such as number of employees.

One surprising survey result was the reliance on the news media as a primary source of information. Typically, new regulations and requirements of business are not considered newsworthy to the general media. The general media reports on environmental issues when there is a problem, such as a spill, chemical fire caused by improper handling, numerous complaints against a company or a large fine for violations.

The general media can provide an effective communication tool to small business if approached properly. Assistance programs have a few options. Many try public service announcements, or PSAs. All radio and television stations as well as newspapers run public service announcements free of charge. The drawback here is you usually get what you pay for. PSAs are run in unsold advertising time or space. Most often for the broadcast media, this means late at night. Before allocating resources, such as time and money, to producing radio and television spots, assistance providers should consider their target market and what percentage of that is watching network television past Letterman.

Another option is to make news. Large conferences or presentations done by figure-heads are media attention getters. So are large numbers, especially regarding money such as grants. Issue press releases anytime you receive a grant or other type of award, and when you have positive statistical information on effectiveness. Send the media information regarding planned workshops for the community calendar. Most newspapers and cable companies have these.

In the event of a large environmental media story, send out press releases stating the services provided to small businesses to help them avoid similar situations. If the business community suddenly becomes concerned about environmental compliance, a free technical assistance program's existence may become newsworthy.

Many small businesses rely on their equipment and product suppliers for information. These people can be an invaluable resource to technical assistance programs. They can either make referrals or distribute information for technical assistance programs. Businesses also ask their suppliers and waste management companies as well as regulatory agencies for assistance. If these sources are aware of and confident in your program, they are likely to refer businesses.

Once the word is on the street that assistance is available, the product must be reliable and consistent. Many survey respondents indicated that they receive information regarding environmental compliance but they are unable to use it. This indicates that what they receive is either too vague or cluttered with technical and legal jargon.

Information sent to businesses, whether via mass mail or media, must be clear and concise. Using plain English is most important because small business owners and operators don't have the time or desire to wade through volumes of verbose technical

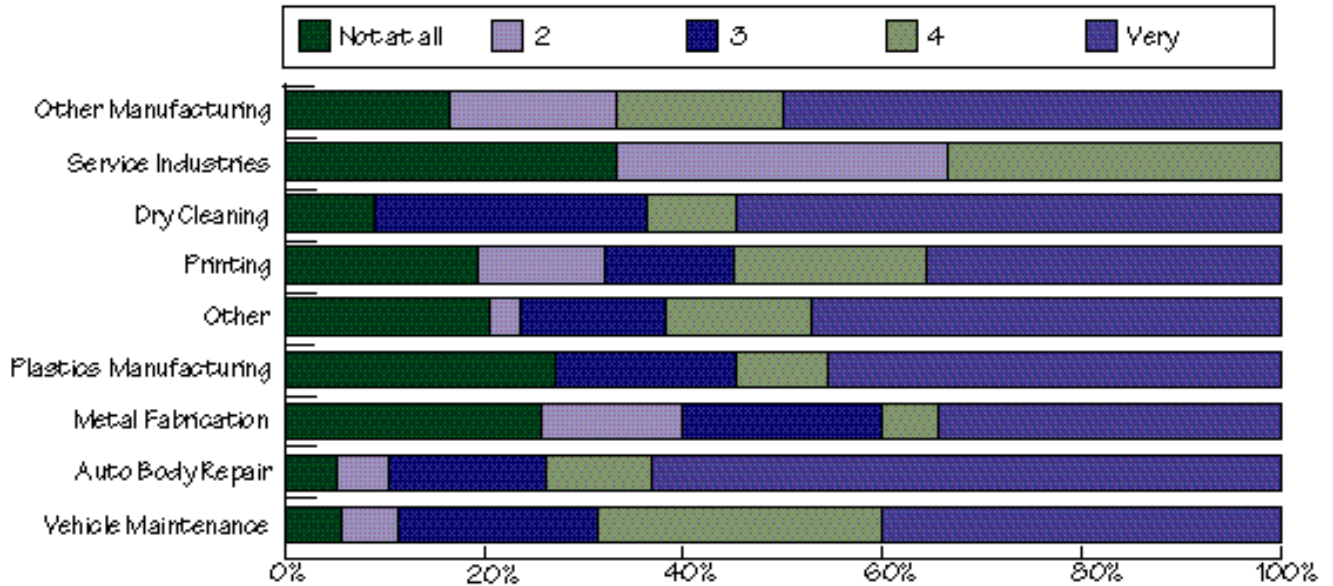
or legal jargon. The ones that do, read the regulations. For example, most small businesses aren't interested in legal citation of all requirements, they just want to know how to comply.

As indicated by the survey response and IWRC experience, businesses do want to comply, but they are often selective in who they approach for help. Many are frightened by possible prosecution resulting from questioning enforcement personnel about regulatory compliance issues. Assistance programs should market themselves as a "safe" service.

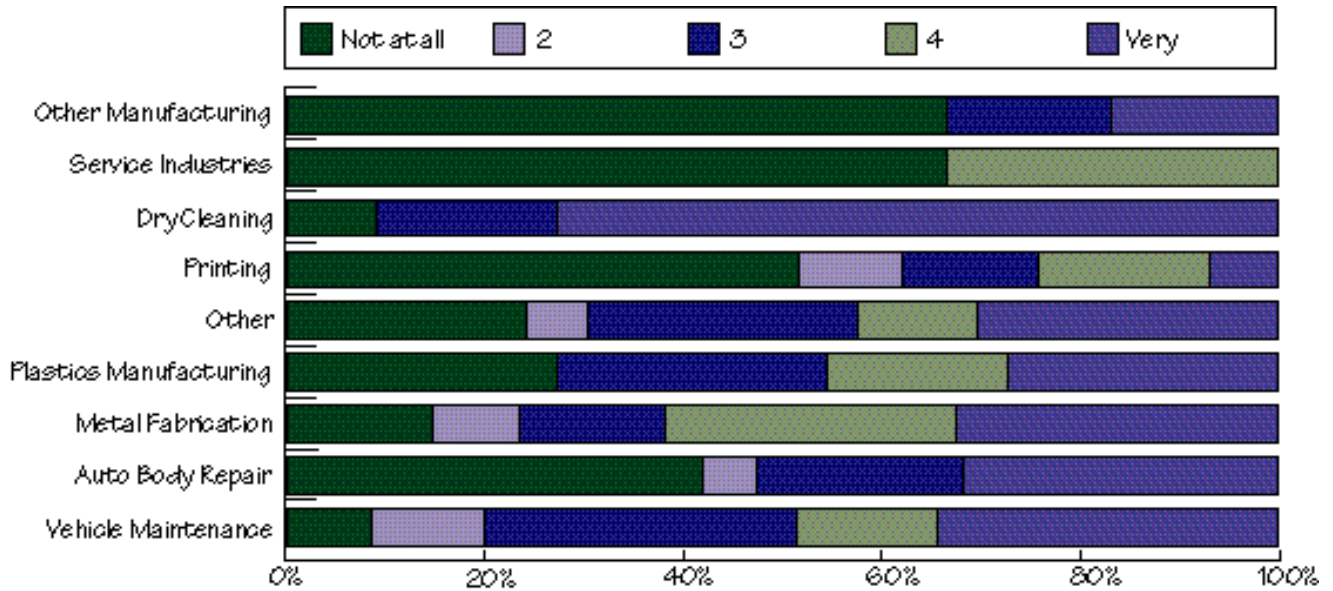
APPENDIX A SURVEY PACKET SENT TO SMALL BUSINESSES

APPENDIX B SURVEY RESPONSES TO RELEVANCE OF REGULATIONS

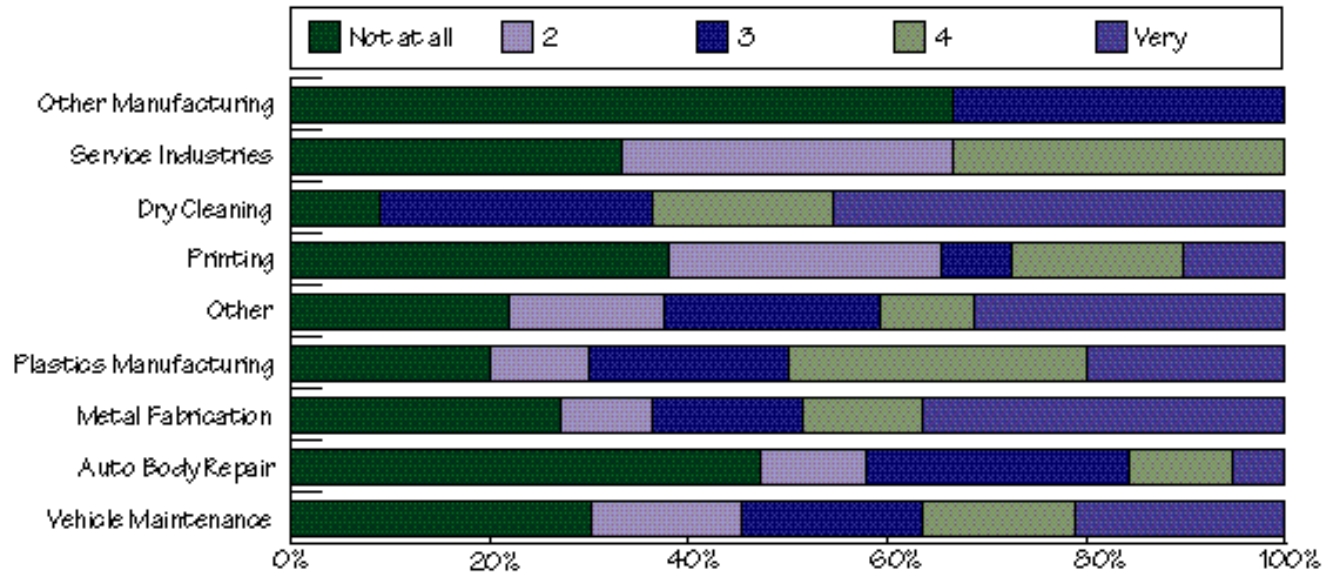
How relevant are hazardous waste regulations to your business?



How relevant are air regulations to your business?



How relevant are water regulations to your business?



APPENDIX C PRIMARY INFORMATION SOURCE BY INDUSTRY TYPE

Industry	Primary Source	Percent	Second Primary Source	Percent
Vehicle Maintenance	Trade Association	29	Supplier	16
Auto Body Repair	Trade Association	35	Supplier	20
Metal Fabrication	Trade Association	22.5	State Agency	16
Plastic Fabrication	Federal Agency	30	Trade Association	30
Other	Trade Association	41.2	Supplier	14.7
Printing	Supplier	24.2	Trade Association	24.2
Dry Cleaning	Trade Association	50	Supplier	20
Service Industries	News Media	50	None	50
Other Manufacturing	Trade Association	33.4	Waste Management Co.	33.4

APPENDIX D USEFULNESS OF INFORMATION BY SOURCE

