ENTREPRENEURIAL ASSISTANCE
Opportunities Exist to Improve Programs’ Collaboration, Data-Tracking, and Performance Management

Why GAO Did This Study
Economic development programs that effectively provide assistance to entrepreneurs may help businesses develop and expand. GAO focused on 52 economic development programs, with an estimated $2.0 billion in funding, at Commerce, HUD, SBA, and USDA that support entrepreneurs. In response to a statutory requirement, this report discusses (1) the extent of overlap and fragmentation, the effects on entrepreneurs, and agencies’ actions to address them; and (2) the extent of tracked program information and whether these programs have met their performance goals and been evaluated. To address these objectives, GAO analyzed program information and interviewed agency officials in headquarters and selected field offices, entrepreneurs, and third-party entities, such as nonprofits, that use federal grants to provide assistance directly to entrepreneurs.

What GAO Found
Federal efforts to support entrepreneurs are fragmented—including among 52 programs at the Department of Agriculture (USDA), Commerce, and Housing and Urban Development (HUD) and the Small Business Administration (SBA). All overlap with at least one other program in terms of the type of assistance they are authorized to offer, such as financial (grants and loans) and technical (training and counseling), and the type of entrepreneur they are authorized to serve. Some entrepreneurs struggle to navigate the fragmented programs that provide technical assistance. For example, GAO spoke with some entrepreneurs and technical assistance providers who said the system can be confusing and that some entrepreneurs do not know where to go for assistance. GAO also found that 19 programs failed to meet their annual performance goals related to entrepreneurial assistance, including USDA’s Rural Business Opportunity Grants, Commerce’s Economic Development/Support for Planning Organizations, HUD’s Indian Community Development Block Grants, and SBA’s 504 loans to finance commercial real estate. Programs could potentially rely on results from program evaluations to determine the reasons why they have not met their goals, as well as to gauge overall effectiveness. However, the agencies lack program evaluations for 32 of the 52 programs. Therefore, information on program efficiency and effectiveness is limited, and scarce resources may be going toward programs that are less effective. In addition, without more robust program information, agencies may not be able to administer programs in the most effective and efficient manner.

What GAO Recommends
GAO recommends that the agencies and the Office of Management and Budget explore opportunities to enhance collaboration among programs, both within and across agencies; track program information; and conduct more program evaluations. Commerce, HUD, and USDA provided written comments and each neither agreed nor disagreed with the recommendations. However, USDA commented that the recommendations were not explicit. In the report, GAO provides specific actions that agencies can take to address each recommendation.

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