INSTITUTIONAL MODELS

FIELD forum

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This *FIELD forum* is one of several that will take an in-depth look at the advantages and disadvantages associated with operating microenterprise programs in different institutional settings.

Credits:
Author: Cristina E. Himes, a Washington, DC-based consultant who manages the Institutional Models Cluster

Editor: Judy Maher, The Aspen Institute/FIELD

Production/Design Manager: Colleen S. Cunningham The Aspen Institute/FIELD

Project Manager: Carol D. Rugg FIELD

Printer: Wilmer Printing

FIELD Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination

The Aspen Institute
One Dupont Circle, NW
Suite 700
Washington, DC 20036
Phone: (202) 736-1071
Fax: (202) 467-0790
Web site: www.fieldus.org
Email: fieldus@aspeninstitute.org

MICROENTERPRISE PROGRAMS IN HUMAN SERVICE ORGANIZATIONS: ADVANTAGES AND CHALLENGES

Introduction

FIELD made grants in 2000 to 10 organizations managing microenterprise programs in diverse institutional settings. The grantees included community action agencies, workforce development and other educational organizations, networks of community development corporations, community development credit unions and other community development financial institutions. The intention of this Institutional Models grant cluster is to examine how the institutional setting in which a microenterprise program operates affects the prospects for the program's sustainability, quality, scale and impact on customers, businesses and the community at large.[1]

The grantees in this cluster are divided into three peer groups to facilitate comparisons among similar types of organizations. These three groups are human service organizations, networks of community development corporations and community development financial institutions. This *FIELD forum* reports on the human service organization group. The most diverse of the three groups, the human service organization grantees include two community action agencies and two workforce development organizations, one of which is further nested within a state university setting. The four grantees are: Central Vermont Community Action Council (CVCAC), People Incorporated of Southwest Virginia, Goodwill Industries of North Georgia and Maine Centers for Women, Work and Community (MCWWC). (See box on page 3 for full descriptions.)

The research for this *FIELD forum* relied primarily on discussions with microenterprise program management staff of the four grantees in this group. The *FIELD forum* draws on the data reported to MicroTest, FIELD's microenterprise performance measurement program that currently collects data from 45 microenterprise programs including the Institutional Models grantees. In addition to the four human service organization grantees, six other organizations in MicroTest were defined as human service organizations.

Advantages of Working within a Human Service Organization

The four grantees in this group evaluated various aspects of their institutions and the performance of their microenterprise programs to

[1] See *FIELD Forum* Issue 6, August 2000 or our Web site (www.fieldus.org/li/institutional.html) for a description of the grant cluster and each of the 10 grantees.

identify areas where they felt they were comparatively strong in the field of microenterprise. Many of these comparative strengths were enhanced by the programs' position within a larger organization focused on social services or workforce development. The following common themes emerged:

Reaching an economically disadvantaged target market

The four microenterprise programs in this group target an especially low-income population. In fact, as shown in Table 1, MicroTest data strongly suggest that human service organizations (HSOs) reach a particularly disadvantaged population compared to the rest of the field. In 1999, an average of 49 percent of the customers served by microenterprise programs in the HSOs reporting this data to MicroTest came from poverty-level households as measured by U.S. Department of Health and Human Services (HHS) poverty guidelines. The same statistic for all programs in MicroTest averaged 29 percent. Nearly a third of the microenterprise customers in the HSOs received Temporary Assistance for Needy Families (TANF) compared to 14 percent for the MicroTest group as a whole.

With 81 percent of their staff resources directed toward training activities, the HSOs host microenterprise programs that typically emphasize training over credit. To evaluate how the HSOs compare to their programmatic peers that are not housed within larger institutions, Table 1 also shows target market data for the stand-alone training-led programs reporting this information. These data show that microenterprise programs housed within HSOs are reaching a higher percentage of individuals and families with incomes at or below federal poverty levels than the stand-alone training programs participating in MicroTest.

In general, the grantees in this group believed that their affiliation with a larger human service organization helped them target a particularly low-income population. CVCAC, for example, has forged a close relationship with the Vermont Department of Social Welfare and many of their microenterprise customers are referred by the state agency. BusinessNOW has mounted an internal marketing campaign to attract more referrals from other programs in Goodwill already serving disabled and other disadvantaged individuals. At MCWWC, the New Ventures program attracts low-income women because the organization as a whole markets their services to displaced homemakers who tend to be particularly economically disadvantaged. Likewise, People, Inc.'s targeted economic development programs, like Appalmade which focuses on low-income women, draw more economically distressed individuals to BusinessStart.

Table 1: 1999 Target Market Data from MicroTest

	HSOs	All Programs	Stand-Alone Training-Led Programs
Percent of clients at or below HHS poverty levels (average)	49% n=7	29% n=40	31% n=11
Percent of clients at or below 150% HHS poverty levels (average)	65% n=7	43% n=39	47% n=11
Percent of clients receiving TANF (average)	31% n=6	14% n=35	16% n=11

Human Service Organization Grantees

Central Vermont Community Action Council
Barre, VT

CVCAC's services include Head Start, Crisis Fuel Assistance, Weatherization, a food shelf, the Migrant and Seasonal Farmworkers program, Emergency Services, the Family Housing Partnership program, and a Welfare to Work program, in addition to the Community Economic Development program. The $6 million agency serves roughly 6,000 individuals annually with about 130 employees.

The Microenterprise Business Development Program (MBDP), established in 1988, uses roughly two percent of the organization's financial resources. The MBDP is housed in the agency's Community Economic Development Program that also includes an Individual Development Account (IDA) program, a child-care training program, a Trickle-Up grant program and the Central Vermont Revolving Loan Fund. The MBDP provides a 24-hour training course on self-employment, individual counseling, post-loan technical assistance, workshops on start-up and marketing, and a soft skills development course for participants with incomes at or below 100 percent of poverty. In 1999 the microenterprise program served 179 participants, with 73 receiving 10 hours or more of business development services.

People Incorporated of Southwest Virginia
Abingdon, VA

People, Inc. operates 32 core programs that address a broad spectrum of needs in education, housing, health and community and economic development. The $8 million agency serves more than 5,000 individuals annually with a staff of 235.

BusinessStart, operating since 1993, currently uses about seven percent of the organization's resources. BusinessStart services include access to capital through a revolving loan fund, core training through a 12-hour business basics course, and pre- and post-loan technical assistance. Accounting and legal assistance is available to clients through community partnerships. In the past two years, BusinessStart has served roughly 300 customers annually with credit and/or 10 hours or more of business development services. Other economic development programs provide eligible clients with an IDA savings match, the Cars for Work program and Appalmade, an access to markets program serving primarily low-income women who need to work from home.

Goodwill Industries of North Georgia
Atlanta, GA

Goodwill's services include vocational assessment, training in work adjustment, food services, office technology, job placement and other programs for people with disabilities, welfare recipients and others who need assistance connecting to the workplace. The $16 million organization serves roughly 3,000 individuals annually with a staff of 450.

About one percent of the organization's resources are directed toward the BusinessNOW microenterprise program established in 1996. BusinessNOW offers three self-employment training courses: a six-hour introduction to business class, an eight-week course on researching and developing a business idea, and a 12-week course on business planning and personal development. The program also offers access to individual technical assistance and business services at the Micro Business Center and loans from $50 to $5,000. In 1999 BusinessNOW served 201 customers, all of whom received at least 10 hours of training or technical assistance.

Maine Centers for Women, Work and Community
Augusta, ME

MCWWC is a statewide women's employment, training and economic development organization administered by and, in large part, housed within the University of Maine System. In addition to microenterprise development, MCWWC offers employability training through experiential learning and work-site visits, as well as training in communication skills, self-esteem and financial literacy as part of an IDA program. The $1.5 million organization serves between 800 and 1,000 individuals annually with a staff of 35.

Roughly 15 percent of the organization's resources are dedicated to microenterprise development, the centerpiece of which is the New Ventures training course, designed for women just starting a small business. The interactive 90-hour class leads to the development of a written business plan or an alternate career plan. Microenterprise services also include a 10-week training course based on the New Ventures curriculum, a three-part seminar covering the basics of starting a business, and a one-on-one technical assistance program for TANF recipients. In the last two years MCWWC's microenterprise program has served an average of 288 participants each year, with 200 receiving 10 hours or more of business development services.

Serving customers' multiple needs

Microenterprise programs, housed in large social service organizations that provide a variety of emergency and personal support services, are particularly well positioned to meet the multiple needs of low-income microentrepreneurs or would-be microentrepreneurs. A good portion of the population served by these microenterprise programs requires intensive personal support services provided by other programs within the agency. The needs of customers can be as immediate as finding temporary housing and as complex as counseling for domestic abuse. Indeed, many individuals with multiple needs approach these microenterprise programs precisely because they are housed in organizations that provide other services to low-income and disadvantaged individuals. Many of these agencies offer case management services that can help clients navigate various services within and outside of the agency.

While none of the grantees are currently able to report systematically on cross-use of program services by their customers, CVCAC and People, Inc. are in the process of developing databases that will track the use of multiple in-house services. All of the grantees have anecdotal evidence of clients using multiple services within the agency. At CVCAC, for example, staff describe how microenterprise clients use the agency's food shelf to help stretch their finances. At MCWWC women, who may be victims of domestic violence or may simply never have had the chance to develop or pursue their own plans, build confidence and a support network through the organization's leadership training and women's networking activities. MCWWC's associate director sees the confidence and support these women gain at MCWWC as crucial factors in helping customers start and/or sustain their businesses.

Controlling costs

Interestingly, despite the multiple needs of their clients and the intensive intervention of their strategies, HSO microenterprise programs keep their costs relatively low. Table 2 shows MicroTest cost data for HSO microenterprise programs compared to other MicroTest groups. The HSOs that reported cost data to MicroTest had an average cost per client of $2,600 compared to $2,300 for all MicroTest participants reporting this data. The four HSOs – chosen to receive FIELD grants for their strong proposals to increase the integration of their microenterprise programs within their agencies – had a low average cost per client of $1,700. This cost per client is 15 percent lower than the comparable statistic for stand-alone training-led programs. The cost of training and technical

Table 2: 1999 Cost Data from MicroTest

	HSOs	FIELD Grantee HSOs	All Programs	Stand-Alone Training-Led Programs
Cost per client (average)	$2,624 n=7	$1,711 n=4	$2,308 n=38	$2,002 n=10
Cost of training and TA per client (average)	$1,195 n=7	$1,299 n=4	$1,285 n=36	$1,708 n=10

assistance (TA) per client for HSO microenterprise programs averages $1,200 compared to $1,700 for stand-alone training programs.

This comparatively low cost of providing microenterprise services to a particularly disadvantaged population lends support to the hypothesis that microenterprise programs within larger institutions can cut costs by accessing central administrative and other services offered within the organization. Most of the grantees in this group had central finance and administration, communication and fundraising departments that are likely to perform administrative and other tasks more efficiently than small programs can. Having central services for the entire organization allows program staff to focus on service delivery. Microenterprise program staff can refer their customers to other services within the organization, which relieves them of having to locate or try to provide those services themselves. Having ready access to multiple in-house services may, therefore, help these programs reach a proportionately lower-income population without significantly increasing their costs.

One exception on cost control is worth noting for loan programs within human service organizations. Preliminary results suggest that lending programs in HSOs are managing potentially riskier portfolios than industry averages, resulting in relatively high cost credit operations. The four HSOs reporting credit performance data to MicroTest for fiscal 1999 had an average annual loss rate of 9 percent compared to an average rate of 6 percent for all MicroTest programs. An average of 75 percent of their portfolios was lent to start-up businesses compared to 40 percent for the industry as a whole. While additional information on lending in HSOs will be necessary to draw conclusions in this area, those agencies with credit programs should carefully evaluate the costs and risks associated with the lending component of their operations. Some agencies, particularly those with little interest in expanding their credit programs to a broader market, may find it advantageous to refer their customers with credit needs to other more finance-oriented organizations.

Serving as strong public advocates

Many HSOs have a strong political advocacy component to their work that focuses on mobilizing resources for their customers. Community action agencies like CVCAC and People, Inc. were founded in an environment of political mobilization and typically build advocacy into their programmatic capacity. As multimillion dollar service organizations with established reputations, the larger of these agencies also tend to be important players in defining public policy related to social services or economic development in their states or regions. CVCAC, for example, was asked by the Vermont State Department of Social Welfare to help define the regulations governing Vermont's 1996 welfare to work legislation. Business development was subsequently adopted as an activity eligible for meeting welfare to work requirements in the new legislation. Both Goodwill and MCWWC were also active in defining welfare to work legislation in their respective states.

Smaller human service organizations like MCWWC may find that the nature of their work or the needs of their customers require them to be active public advocates. Early in their history, MCWWC management learned that they needed to be politically active to educate employers and politicians about the needs and abilities of women who had to enter the workforce in their 40s or 50s with minimal education or work experience. MCWWC leadership had to work with employers to convince them that displaced homemakers could be effective employees. They felt they had to have a voice in decisions about the types of employers to attract to Maine. MCWWC's self-employment program has used the political relationships forged early in the program's history to gain

access to state welfare to work funding and to successfully advocate for microenterprise funding in the state budget.

Capitalizing on the institution's reputation or resources

Microenterprise programs housed within larger human service organizations can capitalize on the reputation and resources of their larger organization to raise funds, build partnerships, and, in some circumstances, attract and retain staff. They can also tap into the financial resources of the larger organization to help with cash flow when funding is delayed or lower than expected.

Goodwill's BusinessNOW program enjoys generous funding from United Way, for example, because of Goodwill's long-standing relationship with the funding organization. BusinessNOW management also noted that they can and have leveraged their connection to Goodwill to provide income-generating consulting services to other Goodwill programs. BusinessStart at People, Inc. attributes their partnerships with every bank in their region to the visible presence of the organization in the area. People Inc. also cites the ability to tap into the organization's unrestricted funding as crucial for maintaining the program when invoices have not been paid in a timely manner.

While MCWWC's affiliation with the University of Maine has sometimes worked against their fundraising efforts, the organization has been able to tap into the resources of the university for other administrative advantages. Their staff, for example, has access to the benefits package offered to university employees including free admission to university courses. They can also use the university's high-speed Internet connection. BusinessNOW's management also feel that the reputation and resources of the agency have helped them retain staff. As organizations serving rural areas with limited employment opportunities, CVCAC and People, Inc. tend to be organizations that offer stable, quality employment even if their pay structures are not particularly high. All the grantees noted that dedication to their agency's mission also helped keep quality staff on board.

Targetting disadvantaged population offers unique perspective

Microenterprise programs in human service organizations have a potentially unique perspective on the connections between microenterprise training and technical assistance, access to other social services, and poverty alleviation. This perspective comes from working with a particularly disadvantaged population and from the potential ability to track the use of multiple services under one organizational structure. Some past studies done by these grantees show that, despite having lower incomes and less prior business experience, their customers show quantitative outcomes competitive with those reported by other microenterprise programs. In Goodwill's first impact evaluation completed two years after starting their training program, the organization reports that 50 percent of the graduates responding to their survey increased sales; 40 percent increased their household income. In addition to this kind of quantitative data, these programs are particularly inclined to report on qualitative or "alternative" success criteria. In their post-training survey, for example, MCWWC tracks whether training graduates pursue career plans or additional education. Data from the past few years suggest that a quarter of their graduates do pursue alternate plans to develop careers after graduating from the New Ventures course.

While none of these programs has undertaken a significant study on the outcomes of their programs, some are setting foundations for this type of work. Most notably, MCWWC has begun defining the quantitative and qualitative outcomes it will track and has hired an outside consultant to administer client surveys and focus groups. With a grant

from FIELD's program for assessing the effectiveness of training and technical assistance, CVCAC is in the process of developing measures that track changes in clients' perceptions of their circumstances, and exploring how these changes are linked to particular training interventions as well as business and personal outcomes. While they do not currently feel they have the capacity to evaluate cross-program use and outcomes, People, Inc.'s BusinessStart program is defining the outcomes they will include in an agency-wide database that tracks a customer's use of any agency services and the outcomes associated with them.

Challenges of Working within a Human Service Organization

Discussions with grantees and review of MicroTest data highlight some of the challenges of running a microenterprise program within a larger human service organization. The following common themes emerged:

Trying to bridge a cultural gap

All four grantees in this group identified significant intra-agency cultural differences that complicated their efforts to integrate their microenterprise programs with other programs in their agencies. Many of the programs offered within community action and other social service agencies are focused on crisis management for low-income households. While microenterprise programs emphasize an entrepreneurial culture, many social service programs are driven by a culture of emergency relief. While microenterprise staff see themselves as demanding personal responsibility, commitment and investment from their customers, other program staff may only see a strategy that encourages low-income individuals to get involved in risky ventures.

A similar cultural gap exists in workforce development organizations traditionally focused on job training and placement. In these organizations, other program staff may see self-employment training as a diversion from the more important and immediate task of job placement. They may see self-employment merely as a hobby rather than an important potential source of household income.

Finally, MCWWC experiences a different kind of cultural disconnect with the university within which they are housed. In their case, their hands-on, experiential approach to training does not garner respect from many university officials with a stake in more traditional academic learning. This educational discord has complicated MCWWC's attempts to have the university accredit their New Ventures cirriculum.

Although grantees found the intra-agency cultural differences more entrenched than they had expected, they felt that the cultural differences were based largely on misperceptions. They believed concerted cross-program staff education could make significant inroads toward closer cooperation (see recommendations below).

Managing logistical challenges and intra-agency competition

Three of the four grantees in this group are multimillion dollar organizations with between 100 and 500 employees and multiple and diverse types of programs. The fourth, MCWWC, is a smaller independent organization, but manages a relationship with a statewide university system that has multiple layers of leadership and bureaucracy. Coordination of the various programs within these agencies is not only logistically difficult, but often practically infeasible. As the director of People, Inc.'s community economic development program points out, in order to ask other agency programs to know the microenterprise program well enough to market it to their customers, he would have to reciprocate by learning the eligibility criteria of about 40 other programs. CVCAC's director of community economic development also cites awkward situations when other program staff have referred individuals who were not eligi-

ble for a particular service within their microenterprise program. The logistics of encouraging cross-program coordination are further complicated by the inevitable turnover in staff in a large organization.

Cross-program competition within a large organization can also create complications. Goodwill, for example, has an agency-wide system for reporting the number of clients served by various programs. Since the system avoids double counting clients, one program may be reluctant to refer a client to another for fear of losing the "count" on their outcomes report. In community action agencies with large Head Start or day care programs that tend to have relatively low pay structures, inter-program animosity may emerge over salary disparity. Finally, jealousies are likely to surface if staff feel they must compete for the time and attention of the organization's leadership.

Scaling up

None of the grantees in this group felt that the number of clients they currently serve addresses a large portion of the potential demand for their services. Estimates of the percentage of the potential market they serve ranged from 2 percent to 16 percent. MicroTest data shown in Table 3 suggest that microenterprise programs within human service organizations are, on average, reaching fewer clients than the industry as a whole. In 1999, the median program among the 10 microenterprise programs within HSOs served 171 customers compared to the median 214 served by all MicroTest participants. Interestingly, the HSO programs compare even less favorably, in terms of scale, with stand-alone training programs that also provide time-intensive training. The median stand-alone training program served 226 customers in 1999, one third more than the number served by HSO programs. The HSO programs' small scale may be related to the intensive demands made on staff and other resources by serving a particularly low-income population with little prior business experience.[2]

While acknowledging their small scale, few grantees were eager to grow much beyond their current capacity for several reasons. Program management mentioned concern about stretching the capacity of their staff too thinly. They felt that significant program growth would alter the flexible, entrepreneurial nature of their small-scale operations. One grantee mentioned that her organization would not be ready to have their self-employment program dominate the organization as a whole. Finally, because of the individual demands of each customer, adding more

Table 3: 1999 MicroTest Data on Scale

	HSOs N=10	All Programs N=49	Stand-Alone Training-Led Programs N=13
Number of clients (median)	171	214	226
Number of clients (average)	181	253	294

[2]HSO microenterprise programs serve a greater proportion of poverty-level individuals than stand-alone training programs (49 percent compared to 31 percent). In addition, only 53 percent of their trainees have actually started businesses before coming to the program, compared to 67 percent for stand-alone training programs.

customers would not necessarily reduce their cost per client served. Scaling up would be, therefore, simply an exercise in needing to raise increasingly more funds.

Nonetheless, People, Inc., the only grantee in this group with significant credit operations and with fewer restrictions on their market served, may be poised to step up their operations. Their proposal is to attract more business-ready customers who need less intensive services, while continuing to serve their more high-needs customer base (see recommendations below).

Diversifying funding

While the HSO microenterprise programs are able to leverage the reputations of their organizations to help raise funds, their fundraising strategies have typically resulted in a disproportionate dependence on federal funds. As Table 4 shows, on average, the HSO microenterprise programs in MicroTest received 40 percent of their funding from federal sources, compared to 26 percent for all MicroTest participants. Over one-third of the HSO programs receive more than half of their funding from federal sources compared to one-fifth for all MicroTest participants. While most of the grantees in this group had relatively long-standing funding from diverse federal sources, those with a majority of their funding from the federal government felt uneasy about the long-term availability of these funds.

The four grantees agree that they need to pursue more diverse sources of funding. The three rural programs generally find private sources of funding scarce in their regions and feel state-level government programs hold the most promise for additional sources of reliable funding. The one urban program relies predominantly on funding from private sources. Interestingly, this organization also plans to diversify resources by pursuing more state-level government funding. One grantee recommends that a balanced plan for long-term funding would still pursue as much federal funding as possible, but would also target state funding to leverage federal dollars, foundation resources for new initiatives, and local bank and other private contributions to stimulate markets or improve the quality of life in specific communities.

Measuring impact

Many of the HSO microenterprise programs have an especially advantageous position from which to evaluate the outcomes of self-employment training for a particularly low-income population. Nonetheless, many

Table 4: 1999 MicroTest Data on Funding Sources

Average percent of funding from:	HSOs n=8 (percent)	All Programs n=39 (percent)	Stand-Alone Training-Led Programs n=10 (percent)
Program activities	8%	14%	5%
Private sources	37	35	30
Federal government	40	26	26
State government	10	12	17
Local government	0	6	13
Other Sources	4	7	11

of the outcomes to be tracked, such as improved self-esteem or increased leadership skills, will be particularly challenging to gauge and more challenging to link to quantitative outcomes. Traditional industry-outcome measures like business survival, will not be helpful in tracking positive results, such as finding quality employment or pursuing further education. Many of the measurable long-term results may only be evident after several years, at which point the connection to the program services will be harder to establish. In addition, because lower-income individuals and families tend to be relatively difficult to track for follow-up surveys, these programs may find it challenging to draw long-term conclusions about outcomes. Nonetheless, organizations like MCWWC have begun to tackle these challenges and their experience will shed light on the resources needed to measure results in these programs and the kinds of outcomes the field might expect.

Grantee Recommendations

Based on their experience working to coordinate microenterprise services with other programs in their agencies, the grantees offered the following recommendations:

Enlist the support of agency leadership

All of the grantees emphasized the importance of ensuring that microenterprise development can count on the full support of the agency's top leadership – the agency's director and its board. This highest level of organizational leadership must be able to articulate how they see microenterprise development fitting into the organization's overall strategy and mission. They must also be willing to leverage their influence and resources to support the microenterprise program inside the agency and outside with funders and policy makers.

Gaining the support of the managers of other programs within the agency also was crucial for effective cross-program coordination. Grantees found that enlisting the support of other agency managers could often be challenging for logistical and cultural reasons. They recommend specific messages and strategies for reaching out to agency managers and other staff as detailed in the following points.

Develop strategies for cross-program coordination

The top leadership of the agency should enlist program managers to work on various joint plans for cross-program coordination. This can be as simple – and as organizationally necessary – as establishing a program management team to set agency policy and procedures. People, Inc.'s senior management team recently led an agency-wide review of their client-tracking software and rededicated themselves to using regular reports from the system to inform agency-wide management decisions. CVCAC has organized an agency-wide strategic planning process that involves program managers articulating the advantages of working jointly and identifying opportunities to do so. This process has resulted in the development of joint funding proposals among programs within the agency.

Grantees also emphasized the need to make the case for intra-agency coordination at various levels of the organization. MCWWC, in its efforts to coordinate more closely with the University of Maine, identified allies among professors, deans and state legislators, all of whom were asked to participate in an advisory council, to explore means for closer coordination with the academic institution. BusinessNOW staff has distributed marketing materials and made presentations about their program to other program managers, case managers and rehabilitative counselors throughout Goodwill. CVCAC has established closer coordination between the microenterprise program and their welfare to work program by sharing a training coordinator and having their microenterprise staff train welfare to work case managers in self employment and business development.

Develop messages that resonate with other agency staff

Agency staff have to understand how microenterprise development might benefit their clients when they encourage cross-program referrals and coordination of services. Grantees felt that the following messages were particularly effective for bridging cultural differences with other agency programs using more traditional strategies to employ, educate or provide services to low-income individuals.

- Low-income individuals and households necessarily patch income from self-employment and part- or full-time jobs to make ends meet. A microenterprise can be an important patch for these families.
- Self-employment is more prevalent than many people think. Invite program staff to identify how many of their clients engage in "side" activities to make ends meet.
- A small percentage of the potential workforce can not or does not function well in regular jobs because of their independent, entrepreneurial natures.
- Microenterprise training has multiple social benefits beyond microenterprise development. While many trainees will start their own businesses, others will gain the self-confidence they need to further their education or pursue a certain career track.
- Self-employment is often the best employment option at various stages of life. Home-based self-employment, for example, may be the best way for a single mother with children at home to maintain her family.
- For universities with an interest in serving the local community, identify the level of local demand for self-employment training and emphasize that self-employment training can be a point of re-entry into further education.

Leverage the agency's reputation for fundraising

Microenterprise program staff working within larger human services organizations should capitalize on the past successes of the organization as a whole to tap into funding sources. BusinessNOW management attracted private funding that may not have been otherwise forthcoming precisely because of its affiliation with Goodwill. Grantees also mentioned that affiliation with a larger social service organization might help sell the microenterprise program to funders interested in reaching a very low-income population. Because of the wide array of services offered at many of these organizations, opportunities are readily available – particularly through joint program proposals – to target funders interested in varied markets and outcomes (e.g. training for the disabled, child welfare, women's empowerment, etc.).

Consider a "triage" strategy to reach more customers

Many of the grantees in this group were concerned about the strain program growth would put on staff, resources and the flexible nature of their programs. People, Inc. offers an alternative approach to reaching more customers by marketing its services to a wide audience and offering microenterprise services requiring varying levels of staff involvement. While potential customers with multiple needs continue to receive intensive training and support from the program, other more business-ready individuals can immediately address their particular needs (a loan, or a brief consultation) without having to go through a long training session. In this model, careful initial assessment of a customer's skills and needs is critical to allow the program to reach a greater portion of the market for microenterprise development services without fundamentally altering the core portion of intensive services offered.

By offering access to business services through a walk-in microbusiness support

center, Goodwill has also begun to pursue less than full-scale training to help expand the market it serves. One side effect of this approach may be a decrease in the percentage of low-income customers served, even while the number of low-income individuals stays the same or rises. Programs adding new less intensive services for a larger-scale market should track characteristics of customers accessing different segments of the program to maintain comparable records for internal management and to report to funders.

Begin defining, measuring the benefits of the strategy

As the funding environment for microenterprise development becomes increasingly competitive and demanding, microenterprise programs in human service organizations will have to identify and begin to measure the value added by their particular strategy. In particular, these programs should document the added benefit their customers gain from being able to access the resources of an agency with multiple services. Because these programs have typically worked with a particularly disadvantaged target market, they are also in a strong position to evaluate their affect on poverty. Finally, these programs are also well positioned to ascertain the impact they have on clients who ultimately choose not to start or continue a business because the program can track clients who decide to use different services within their organizations and because they are interested strategically in alternative outcomes (e.g. job placement, education levels, home ownership, etc.). In short, microenterprise programs in human service organizations should begin to shed light on the various and increasingly complex approaches to meeting the multiple demands of individuals interested in self-employment as a means of improving the quality of life for themselves, their families and their communities.

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The Aspen Institute
One Dupont Circle, NW • Suite 700
Washington, DC 20036
Phone: (202) 736-1071
Fax: (202) 467-0790

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Bulk Rate
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PAID
Permit #3
Queenstown, MD