

Assessing the Effectiveness of Microenterprise Training and Technical Assistance Services

**Women's Initiative for Self Employment
(WI)**

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Measuring Success: A Report on the Post-Training Outcomes of Microenterprise Training Program Participants

**Women's Initiative for Self Employment
Outcome Evaluation Project Final Report
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INTRODUCTION

Success is me. I'm the one that brings the success now. I don't sit and wait for someone to pay me every two weeks. It's not like, okay, here you show up at eight, go home at four, do stuff in the middle. Success is me. I'm out there. I'm selling me. I'm the one getting business. It's all me. And I think that something that a lot of people really need to understand in self-employment is that if you can't get out there and you can't sell yourself, give it up, because nobody's going to hand you money for nothing. You gotta earn it. Success is freedom. Success is freedom to know that I am capable, I have the tools, I can do it. And I do.

–Robyn Cleaves Case Study, page 4

This report presents the findings of a two-year Outcome Evaluation Project conducted by Women's Initiative for Self Employment.¹ The goal of this project was to build on previous evaluation work undertaken by the agency to design and implement a comprehensive, longitudinal evaluation of program effectiveness. The project tracked 83 Women's Initiative clients for up to eighteen months after they participated in the comprehensive Managing Your Small Business course taught in English. This report focuses on describing the business and economic outcomes achieved by the 83 program participants. The analysis examines the factors that contributed to the successful outcomes. The implications of these findings are also identified and discussed in this report, particularly as they relate to strengthening a training program for low-income entrepreneurs that supports microenterprise as a viable poverty alleviation and economic development strategy.

Women's Initiative for Self Employment (WI) operates a nationally-recognized, entrepreneurial training and technical assistance program for low- and very low-income women from five counties in the San Francisco Bay Area. Since its inception in 1988, the agency has reached more than 9,000 women, provided over 5,300 women with comprehensive training and technical assistance services. Through its Revolving Loan Fund, Women's Initiative has disbursed a total of 185 loans totaling \$678,073 to support the capital needs of clients' businesses.

¹ The project was supported by the Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD) program of the Washington, D.C.-based Aspen Institute as well as the San Francisco Foundation. WI was selected as a member of the FIELD program's Assessing the Effectiveness of Training and Technical Assistance learning cluster.

The Women's Initiative program is based on the belief that with the right support low-income women can develop viable small businesses that meet their personal and financial needs. Services include: introductory orientations (2 hours), business readiness workshops (6-10 hours), comprehensive business management training (30-43 hours), personal development training (21 hours), one-on-one technical assistance, follow-up business and personal support services, and business financing services. Services in English are provided at the main office in San Francisco and a smaller office in Oakland; the *Alternativas para Latinas en Autosuficiencia* (ALAS) program provides services in Spanish at a small office in San Francisco's Mission district and at the Oakland facility.

RESEARCH QUESTIONS

Women's Initiative engaged in this project to be able to answer the following question: To what extent is Women's Initiative fulfilling its mission of assisting low- and very low-income women in the San Francisco Bay Area to attain economic self-sufficiency through self-employment?

Five research questions helped answer this fundamental question about outcomes. The indicators for the first four research questions described client business and economic outcomes after participating in the fourteen-week Managing Your Small Business course taught in English (core training). The fifth and final research question helped develop a working understanding of what success looks like for low-income women entrepreneurs as well as for Women's Initiative as a microenterprise organization. Women's Initiative analyzed these business and economic outcomes in order to begin adjusting program services to increase the rates of success.

The research questions and the descriptive indicators of success are:

1. To what degree do clients attain specific key business management skills while enrolled in the core program?

- *Graduation from Managing Your Small Business*

Measure: Client attended at least 18 of the 21 class meetings of the Business Management component (14 meetings of 3 hours each) and the Personal Effectiveness and Power (PEP) component (7 meetings of 3 hours each), and completed the seven required assignments in which they applied 14 key business management skills.

2. To what extent do clients continue to use and apply the skills they have learned after they leave the program?

- *Use of Business Development Skills*

Measure: Participant developed standard business skills, as taught in the 14 business management sessions of Managing Your Small Business, and applied them to her business development.

3. What are the key business and personal outcomes that occur for clients who participate in Women's Initiative programs?

- *Business Growth*

Measure: Participant's business grew, as reflected in a change of business status or stage of development.

- *Personal Income Growth*

Measure: Participant's income increased as a result of self-employment.

- *Personal Development Growth*

Measure: Participant developed 11 core personal competencies, as taught in the 7 sessions of Personal Effectiveness and Power within Managing Your Small Business, and is using them to improve her quality of life.

4. How does achievement of these outcomes relate to client movement toward long-term economic self-sufficiency over time?

- *Personal Economic Self-Sufficiency*

Measure: Income from the business or wage employment increased the participant's household income and moved her toward economic self-sufficiency.²

5. What are the characteristics of those who succeed? Which of these characteristics can Women's Initiative influence, e.g. graduation or business skills used. And which do the clients bring, such as level of education and family business ownership history?

- *Success Circle Membership*

Measure: Analysis of the group of clients who attained economic self-sufficiency through personal income (including income from their businesses), achieved healthy business growth and used the 14 standard business skills.

² Self-sufficiency is measured by comparing total household income to the Year 2000 California Self-Sufficiency Standard for the San Francisco Bay Area counties. Please see page 11 for further details about the Self-Sufficiency Standard.

METHODOLOGY

The Women's Initiative Outcome Evaluation Project utilized a non-experimental, participatory evaluation model that emphasized high levels of both staff and client participation in all aspects of the evaluation design, implementation and analysis. The intent was to describe and begin to analyze what happened for clients in terms of business growth and economic self-sufficiency after the Managing Your Small Business training. The Outcome Evaluation Project was designed as a time-series analysis of repeated outcome measures taken at the end of core training, at six months, at 12 months and at 18 months after graduation from core training. Methods included follow-up surveys, as well as seven in-depth case study interviews of four women with businesses and three not yet in business.

Accurately described outcomes can, depending on future resources for this sort of project, become the indicators used to assess the *impact* of Women's Initiative programs using a control group or other models of quasi-experimental research design. The project did not intend to prove that Women's Initiative training was the *cause* of client success. WI was just one contributing factor (or variable) in the success of its clients. The project focused on the Women's Initiative English-language based program participants and primarily documented business and income outcomes. Subsequent evaluation efforts will include Spanish-language based program participants (who comprise a third of Women's Initiative clientele) and will take a deeper look at personal and social development outcomes. Additional work can be done to assess the program's impact on the outcomes achieved by using a control group, a longer tracking period, and a more significant sample size.

PROJECT DESIGN

Women's Initiative identified a number of specific indicators to measure client progress in using core business skills; in starting, stabilizing and expanding small businesses; and in moving toward long-term economic self-sufficiency. These indicators were comprehensive in that they sought to measure changes in client status longitudinally—i.e. at the time of their initial enrollment in core training, during their training, and after they had completed training. The

indicators also described a number of different aspects of a client’s professional growth including skill development, as well specific business and economic outcomes (such as business start-up or expansion and changes in household income) that were achieved. Thus, WI identified a set of indicators that were measurable, which adequately reflected the transitions of WI clients and their businesses over time, and which, when taken as a whole, provided a more complete picture of what happened to both the client and her business.

The indicators were divided into three categories for longitudinal comparison— baseline, intermediate, and outcome:

- 1) **Baseline Indicators** : information gathered between program entry and graduation from core training. Baseline indicators were used as a starting comparison point for changes further down the road. Baseline indicators were:
 - basic demographics (information pertaining to age, ethnicity, education level, family make up, employment, etc.)
 - business status by the time client graduated from the core training (each business was assessed as either a pre-start up, start up, or existing business)
 - household income and assets/liabilities (income or asset/liability sources and amounts for the client or other household member(s))
 - business income and assets/liabilities

- 2) **Intermediate Indicators** : information about amount and duration of WI program services received. Intermediate indicators were used during analysis to better understand how WI contributed to client outcomes achieved after participation in core training. Intermediate indicators were:
 - participation in Women's Initiative events and workshops (measured through hours, attendance and/or graduation from core training, post-training technical assistance, consultations, workshops and events)
 - attainment of key business skills (measured through completion of the graduation requirements)

- 3) **Outcome Indicators**: information gathered through on-going follow-up that related to material changes in the lives of clients and which was measured through changes in business status, personal and household income, and progress towards economic self-sufficiency:³
 - on-going use of the 14 core business management skills
 - business outcomes (measured through achievement of business growth (business start-up, stabilization, expansion, or establishment) or other possible outcomes (business closure, sale or continued pre-start up preparations))

³ Women's Initiative also gathered outcome data not analyzed for this report due to time constraints about client business financials as well as business and household assets and liabilities.

- business income as a proportion of total household income (measured by client self-employment income)
- progress of client toward economic self-sufficiency (measured by movement of client income and benefits toward the California Family Self-Sufficiency Standard relevant to the household type and locale)

Outcome Indicators: Core Business Skills, Business Status and Growth, and Economic Self-Sufficiency

Core Business Management Skills and Personal Competencies

Running a small business requires many business skills and personal competencies. When WI looked at what a client did to run a business we saw that this involved *who* the client is, *what* they do and *how* they do it. The Core Business Management Skills were *what* they did in order for their business to function. The Core Personal Competencies were about *who* the client is and *how* they do what they do. WI teaches the business management skills (*what* the client does to run a business) but the curriculum is based on building the personal competencies that clients bring and develop through our training and throughout life. The following lists illustrate the differences between skills and competencies:

Figure 1: Skills vs. Competencies

<u>Skills</u>	<u>Competencies</u>
◆ Easily quantifiable	◆ Harder to quantify
◆ Tangible	◆ Intangible
◆ Applicable to only a few areas or tasks	◆ Applicable to many areas or tasks
◆ Specific to task or product	◆ Transferable and universal
◆ Defined individually	◆ Encompass a set of skills and abilities
◆ Possible to learn in a targeted period	◆ Develop over a lifetime of use
◆ Results in knowledge	◆ Results in wisdom based on experience

The Outcome Evaluation Project focused on tracking the use of the core business management skills. The fourteen core business management skills developed for the Outcome Evaluation Project corresponded to the weekly topics covered in the Managing Your Small Business course and are necessary for completion of the seven required assignments. The core business management skills were built on a foundation of specific personal competencies. For example, the marketing related business management skills (skills 2- 6 below) used the personal competency of effective communication and planning (competencies 7 and 8).

The personal competencies were identified simply to begin the process of defining the indicators WI might use to track changes in personal development as part of later outcome evaluation efforts. Therefore, the personal competencies listed below are a draft.

Figure 2: Core Business Management Skills and Core Personal Competencies

<p style="text-align: center;"><u>The Fourteen Core Business Management Skills</u></p> <ol style="list-style-type: none">1. the ability to define and clarify the business vision2. the ability to identify the target market3. the ability to identify and assess competition4. the ability to develop a pricing strategy5. the ability to develop a marketing strategy and plan6. the ability to develop a sales technique7. the ability to develop sales and production cycles8. the ability to develop business specific processes and procedures9. the ability to establish record keeping procedures10. the ability to analyze business costs and make a budget11. the ability to make cash-flow projections12. the ability to use breakeven analysis13. the ability to understand basic financial statements14. the ability to research and seek financing and funding15. the ability to identify and develop the components of a draft business plan (not yet required) <p style="text-align: center;"><u>The Eleven Core Personal Competencies (draft)</u></p> <ol style="list-style-type: none">1. Self Aware2. Committed/Engaged3. Values Driven4. Flexible5. Future Focused6. Open to New Learning7. Ability to Plan8. Effective Communication9. Networking/Connecting10. Decision Making11. Problem Solving/Critical Thinking
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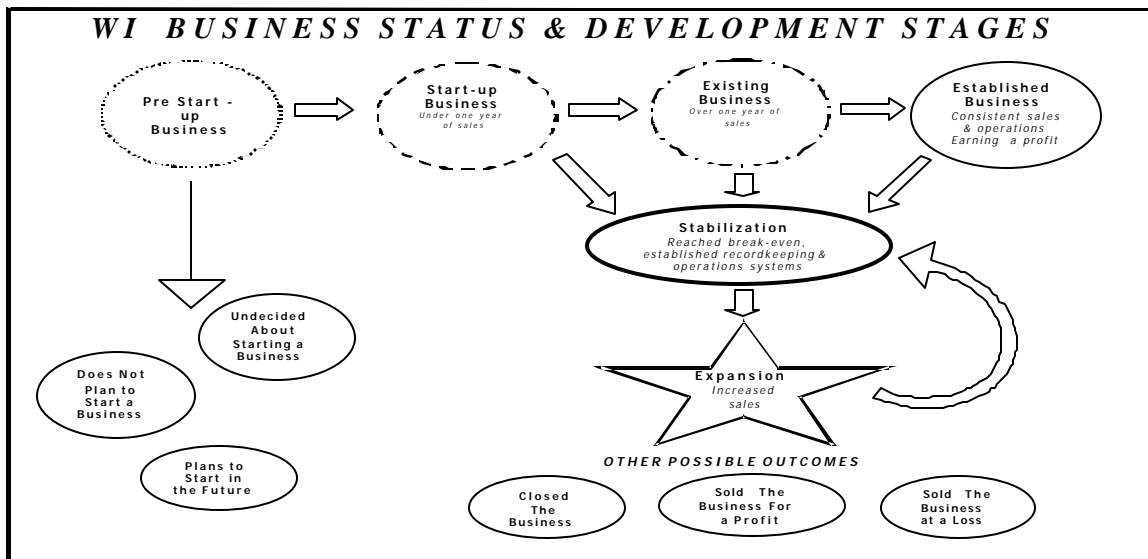
The Outcome Evaluation Project follow-up survey asked clients to rate the level of their use of the business management skills on a scale of one (strongly disagree) to five (strongly agree). For example, "I use a cash flow system" is one of three questions relating to use of cash-flow

projections. WI began to explore how the clients use the personal competencies through an open-ended question on the follow-up survey and in the case studies. The question in the follow-up survey asked: "I'd love to hear in your words how and where you are using these skills in other areas of your life." The case studies used a variety of open-ended questions to find out if and how clients perceived their personal development before, during and after their WI training.

Business Status and Development

WI developed a system of business growth benchmarks in order to describe the business growth cycle. A Women’s Initiative client’s business status described what stage of the business growth cycle had been reached by that client’s business. The business status categories were: pre-start up, start-up, existing, established, closed or sold. Businesses could stabilize or expand during the start up, existing or established phases. The business had to meet the qualifying criteria (see below) for each category. The Business Status was determined upon entry to Women’s Initiative, during participation, and after graduation.

Diagram 1: WI Business Status & Development Stages



- Pre-Start Up Business: planned to start the business within the next year, articulated a clear business vision and mission, conducted research about the business and market, refined the product or service, was not making consistent sales (not including test marketing), was attending to personal finances

- **Start Up Business:** began making steady sales within the last year (required). In addition, the business had done some of the following: established specific, measurable goals for implementing a business mission; developed a marketable product or service; built an initial customer base; began implementing a marketing strategy or plan; demonstrated a viable relationship between price, sales and cost; and developed cash flow projections and an operating budget for the coming year. A start-up business must have stabilized before reporting an expansion. A start up business cannot expand within six months of first making steady sales. A start-up business becomes an existing business after it is in business for a year or more.
- **Existing Business:** made over 12 months of consistent sales (required). In addition, the business had an existing customer base, a history of tax records and documentation, some marketing, and some systems (such as operational or record keeping systems).
- **Established Business:** Business documented a net profit after taxes and before draw (required), had a track record of consistent sales, customer list and services, achieved strategic goals, a strategic plan, stable record keeping, operations and marketing systems.
- **Business Stabilization:** reached or exceeded break-even (required). Established formal or informal systems, such as securing a license, permit, or lease, opening business bank account, and/or beginning to pay quarterly and/or business taxes
- **Business Expansion:** Business increased sales by 30% or more and could include additional investment, production, or sales and report positive changes for client business based on strategic goals. Business expansion was reported at least 6 months after start up. For existing or established businesses, an expansion could be reported at any time but only once in any 6-month period. After expansion, a business must stabilize the expanded operations again before further expansion can occur.
- **Other business status changes tracked included these:** closed, sold, does not plan to start at this time, undecided and plans to start in the future.

The business status and development stages track benchmark phases and events in a business's growth. WI also needed to understand the growth *rate* of WI client businesses. The WI Business Growth Scale rated the amount of growth experienced by each business during the 18 month project period. Businesses were scored on a scale of 0-7, with 0 being no change and 7 being the highest total rate of growth experienced by one business in the sample group during the 18 month project period (see the Iris Jones case study).

Figure 3: Business Growth Rating Scale

Business Status	Points
Pre-Start Up	0 points
Start Up	2
Existing	1
Established	2
Stabilization	1
Expansion	1
Sample: lowest = 0, highest = 7	

Another, and perhaps more common, method used to rate business growth in the national research on microenterprise development has been to measure the change in business profit. WI found that for this project the rate of profit was not an accurate indicator of business growth. WI found that many of the business owners of new businesses put most money they made directly back into their businesses. Instead, WI decided to measure business growth using the proxy indicators of business status change events (growth rate) and personal self-employment income as reported in income amounts and sources.

Household Income

For the purposes of the Outcome Evaluation Project, household income was gathered and calculated using 15 different possible sources of cash income earned or received by the client and other household members. Personal (client) income and other household member income were collected separately to track the contribution client self-employment makes to overall household income. Womens Initiative clients are screened for low income and below at entry as of FY1997.⁴ In addition to progress toward achievement of the Self-Sufficiency Standard, Women's Initiative calculated poverty levels and income statistics in order to understand the effectiveness of using the Self-Sufficiency Standard and to have other, more commonly used, options for describing client income changes. The poverty statistics were based on federal Department of Health and Human Services (HHS) guidelines and are updated annually in the WI database system. The income statistics were based on the federal Department of Housing and

⁴ Women's Initiative requires that participants meet the income eligibility requirement of household income being at or below the HUD 50% of median area income. Required income verification takes place at the time of a client application into the business readiness course: proof of income include copies of pay stubs, benefit checks, etc..

Urban Development (HUD) calculations of median housing costs in San Francisco County. WI has adapted the HUD categories to better describe the categories for WI use in income screening:

Figure 4: Women’s Initiative Income Statistics Guidelines

Women’s Initiative	HUD/MOCD	Value
Very Low	Extremely Low	30% of median area income
Low	Very Low	50% of median area income
Moderate	Low	80% of median area income
High	Moderate or Median Local Income	100% of median area income

Economic Self-Sufficiency

Self-sufficiency was measured by comparing total household income to the Year 2000 California Self-Sufficiency Standard for the county in which the client lived. This standard calculated the amount of income working adults needed to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard (HHS) or the median income guidelines (HUD), this standard takes into account the costs of living as it varies by family type (number of adults and number and ages of children) and county. The calculation includes the cost of local housing, childcare, food, transportation, medical care, clothing and miscellaneous costs, as well as taxes and tax credits. Year 2000 self-sufficiency standard income levels fall at approximately 90 percent of the HUD median area income level (moderate income) for a family of two adults in San Francisco county.

Non-cash subsidies (such as MediCal, public housing, subsidized childcare) were either calculated by the amounts given as part of the Self-Sufficiency Standard or estimated by subtracting the client's monthly out of pocket cost from the market value of the service. The attainment of self-sufficiency level incomes was analyzed for clients whose personal income alone earned the monthly self-sufficiency wage needed for their family. This was the highest bar possible, setting the standard of financial independence for WI clients. The use of individual client income instead of overall household income was not unrealistic given the high percentage of single women (87%) in this sample. The analysis of personal income sources shows the contribution that the client’s self-employment income makes to the attainment of self-sufficiency.

PROJECT METHODS: The Sample Group, Data Collection Process and Tools, Analysis Methods

The Sample Group

Women's Initiative Outcome Evaluation Project tracked the baseline, intermediate and final indicators for a total of 83 women enrolled in our English-language core training workshop, *Managing Your Small Business*, between October 1998 and October 1999. The sample group selection criteria of enrollees in the core training taught in English was used because:

- this group received a significant amount of business management training (the training is a total of 63 hours, over a 14 week period),
- WI could compare the differences in outcomes of graduates to non-graduates,
- the ALAS core training courses (taught in Spanish) were undergoing changes during the study period that would not allow for an accurate representation of outcomes, and
- at the end of core training (baseline) 63 percent of these clients met FIELD's definition of low-income and had household incomes that fell at or below 150 percent of HHS poverty guidelines.

The demographics of the Outcome Evaluation Project group was descriptive of WI English-language program participants as a whole. The respondent group is notable in the following ways:

- *Ethnicity:* WI served a much higher proportion of African American clients than is predicted by the Bay Area ethnic make-up. African Americans make up 34.9 percent of the survey respondents, compared to just 9.4 percent of the Bay Area population (U.S. Census 2000). The Bay Area Latino population (17.8 percent) is well above the representation of Latinas in the sample group (6 percent). It should be noted that this project did not include the WI ALAS/Spanish Language Program participants who are 22 percent of WI clients. In other comparisons to Bay Area statistics, the Asian/Pacific Islander group was underrepresented in the outcome evaluation project: only 8.4 percent versus the 19.59 percent of Asian/Pacific Islanders in the Bay Area.
- *Education:* The Women's Initiative project participants had an average education level of 16 years (college graduates or trade school after high school), which is closely in line with the average education level for the city of San Francisco. According to the 1995 San Francisco City Facts, 35 percent of San Francisco residents over 25 years of age were college graduates with at least 16 years of education and 78 percent were high school graduates.
- *Household Composition:* The majority (87 percent) of women who sought microenterprise training at Women's Initiative were single: 59 percent of participants had never been married, 28 percent were divorced, separated, or widowed (currently single) and 8 percent

were married. Twenty-five percent of the respondents were single mothers. Compared to the US Census Report from 1990, 17 percent of California women were single mothers and about 76 percent were married-couple families (these numbers are most likely higher in 2000). The unmarried partnership status of the single women was not analyzed.

- *Employment:* Twenty-five percent of the WI clients were unemployed at entry to core training. Of these, 11 percent had been unemployed less than six months, 15 percent had been unemployed more than six months. This means that at least a quarter of the clients were in transition in terms of employment. Household income is therefore low at entry.
- *Disabilities:* Women's Initiative serves a portion of the disabled community of the Bay Area, with 22 percent of respondents having some sort of disability (defined as “any physical, cognitive, sensory, psychiatric or other disability). Womens Initiative is in-line with the 21.3 percent of women with disabilities nationwide according to the 1995 SIPP (Survey of Income and Program Participation).⁵

Table 1: Sample Group Demographic Characteristics at Enrollment (n=83)

Demographic Characteristic	Average or % of Sample
Income:	All very low or extremely low income (HUD) at entry
Poverty Guidelines (DHHS)	<ul style="list-style-type: none"> ▪ 80% have incomes at or below 185% of the poverty guidelines (DHHS) ▪ 63% are at or below 150% of the poverty guideline ▪ 30% are at or below 100% of the poverty guideline
Temporary Aid for Needy Families (TANF) cash recipients:	13% receive TANF benefits at entry
Age:	40 years old (average)
Race/Ethnicity: <ul style="list-style-type: none"> ▪ European American ▪ African American ▪ Asian/Pacific Islander ▪ Latino 	<ul style="list-style-type: none"> ▪ 45.8% ▪ 34.9% ▪ 8.4% ▪ 6.0%
Educational Level	16 years average
Work Experience (years):	19 years average
Household Composition: <ul style="list-style-type: none"> ▪ Single (never been married) ▪ Divorced/Separated ▪ Married 	<ul style="list-style-type: none"> ▪ 59% ▪ 28% ▪ 8%
Single Mothers	25%
Clients with Disabilities	22%

⁵ Chartbook on Women and Disability in the United States. National Institute on Disability and Rehabilitation Research. http://www.infouse.com/disabilitydata/womendisability_1_1.html#figure

The Data Collection Process and Tools

Client progress was monitored through follow-up phone surveys conducted at six month intervals over a maximum period of eighteen months after the client graduated from core training. Seven case studies resulted from in-depth, face-to-face interviews. The WI Research Assistant interviewed the sample group between January 2000 and March 2001. Upon completing an interview, clients received a \$15.00 gift certificate, a handwritten thank you card, and referrals to WI or other services, or additional advice from WI Small Business Consultants upon request.

Rolling interview dates were determined based on the client graduation date. Given the length of the project not all clients were interviewed three times. Of the 100 possible enrollees, 83 clients were interviewed at least once during the project. Only one client declined to participate. The other 16 were not interviewed contact information was out-of-date. Due to the sequentially staggered graduation dates and the length of time it took to design the instruments, one class was skipped for the survey at six months after training, leaving 86 eligible (six months had passed since their graduation from core training) interviewees for this point in time. Similarly, the interview at 18 months after graduation had only four classes eligible during the project period, leaving 51 possible interviewees for this subgroup. The interview at 12 months after graduation had the largest possible interviewees with 100 clients eligible for this interview.

Table 2: Outcome Evaluation Project Response Rates

Survey and Time Period		Response Rate
Baseline	Course graduation date	83% (83 of 100 possible enrollees)
Survey 1	6 months after core training	79% (66 women of 86 possible enrollees)
Survey 2	12 months after core training	65% (65 women of 100 possible)
Survey 3	18 months after core training	69% (35 women of 51 possible)
Total number of respondents interviewed		
One time		83% (83 women of 100 possible)
Two times		76% (48 women of 63 possible)
Three times		49% (18 women of 37 possible)
Case Studies at one year after core training		8% (7 case studies completed from 83)
With one update date six months later		5% (4 case study update interviews)

The follow-up survey instrument included five sections of closed-ended, quantitative questions about the client's current personal information (such as contact information, family make-up, education, employment), business status, core business skill use, business financials, personal and other household member income, and household and business assets and liabilities. Three open-ended questions asked about how and when they used the business skills in other areas of their life, comments and suggestions about WI, the survey, and business support needs. Each follow-up interview took an average of seven contact phone calls to schedule an appointment and 45 minutes to complete.

Seven in-depth interviews resulted in case studies that provided more detailed qualitative information about the participants' personal progress and their insights about business as well as personal development after participation in the Managing Your Small Business course. The goal of the case studies was to complement the follow-up survey information with a more comprehensive picture of the factors influencing successful self-employment. Four case study interviewees were selected based on their continued business growth. The other three were selected based on their lack of business growth. The interview guides for the case study interviews included sections on personal background, motivation for self-employment, business description, experience with business development (including Women's Initiative), definition of success, results of self-employment, milestones and turning points, future goals, and advice for future women business owners. The case study interviews took approximately 90 minutes each. Transcripts of the interviews were then coded, analyzed, and narratives were written. The narratives of the case studies are included in the full report. Clients reviewed drafts of the case study narratives for content accuracy before they were finalized.

Data collection tools were designed and tested during the first half year of the project. An additional group of seven graduates from Managing Your Small Business classes between May 1998 and September 1998, served as a pilot group for testing those tools and procedures. Information gathered from these women was not used in final analysis, but the process of gathering follow-up information from this group allowed WI to test and refine its data gathering tools and procedures for the interviews that followed. This included redesign of application

forms that collect baseline information. (Please see the First Year Narrative Report for a detailed description of this process.) The redesign of Women's Initiative Database Systems began in year one as well. A new capacity for storing and retrieving the historical data was developed in order to accommodate the data management needs of the outcome evaluation. The database redesign project continues.

A variety of different research techniques and data sources were used to ensure data integrity and usefulness:

- comparison of program documents as well as forms designed and completed by staff as well as clients
- follow-up surveys, case studies, learning circles (informal focus groups) elicited and captured and compared different sources and types of outcome information
- interviews were conducted by one trained staff person almost exclusively by phone;
- redesigned database added the capacity to manage historical data
- data entry and queries were performed by evaluation staff only
- survey tools were designed using a standard format and language so as to ensure consistency in the data gathered at each point of follow-up
- evaluation staff regularly consulted with program staff, clients, and expert advisors to the project to assure accuracy and relevance of the process and findings

All information remains confidential unless the individual gives permission to Women's Initiative to identify her by name. Client status and outcomes were not reported individually or by name, but in aggregate. If requested by the client, the case study data was reported in a manner that protects the identity of participants.

Analysis Methods

Data gathering and analysis methods were guided and implemented by:

- Expert Advisors: a group of three experts in the field who helped determine at the outset that the project methodology, methods and design were sound;⁶
- WI Evaluation Task Force comprised of WI staff members representing all directly affected areas of the organization;
- WI clients and staff through Learning Circles with preliminary data in June 2001;

⁶ Members of the advisory group were Steve Walsh, Principal Analyst, Berkeley Planning Associates; Dr. Diana Pearce, Professor of Social Work, University of Washington School of Social Work and co-creator of the Self-Sufficiency Standard; and Cindy Marano, West Coast Program Director, Wider Opportunities for Women—West.

- WI Evaluation and Data staff and interns who attended FIELD Learning Cluster meetings and managed the overall analysis.

The primary quantitative methods of analysis used for this report included frequency distributions (counts) and measures of central tendency (averages, medians). Women's Initiative hopes to perform further analysis using more advanced statistical methods in the future, particularly when the success circle has a larger membership size (over 100 would be more significant). In order to analyze the factors of success WI created a comparison group: the success circle. The Success Circle was the group of clients who attained economic self-sufficiency through personal income (including income from her business), achieved healthy business growth, and used the standard business skills. This Success Circle was used for analysis only. Twenty-two clients, or 27% of the sample group (n=83), were in the Success Circle.

KEY FINDINGS

The results of the research described in the previous section answer the five research questions:

1. To what degree do clients attain specific key business management skills while enrolled in the core program?
2. To what extent do clients continue to use and apply the skills they have learned after they leave the program?
3. What are the key business and personal outcomes that occur for clients who participate in Women's Initiative programs?
4. How does achievement of these outcomes relate with the client's movement toward economic self-sufficiency over time?
5. What are the characteristics of those who succeed?

BUSINESS MANAGEMENT SKILL ATTAINMENT DURING CORE TRAINING

To what degree do clients attain specific key business management skills while enrolled in the core training?

I went out there and had my family members as well as friends go to these different sites and do a survey and a lot of people who said, oh, that's great! The response was overwhelming. It was really overwhelming. I remember the first time I did the survey—I had went to Santa Rita [Alameda County jail], and even people—I was only asking people from Oakland—but even people from other cities wanted to take the survey and said, we would love to have that service in our city! So, I mean—the only doubt I have is I've thought about this idea and why hasn't anyone else thought about it?

–Wanda Williams Case Study transcript

All the clients in the sample were assumed to have attained a practical understanding of key business management skills if they graduated from the core training. Women's Initiative graduation requirements are designed to ensure that each student achieved a basic understanding of the 14 core business skills. Analysis of Women's Initiative graduation and business growth rates supports the idea that completion of core training leads to attainment of key business management skills, which in turn leads to higher rates of business growth. The Outcome Evaluation Project graduates had higher business growth rates than non-graduates and those with businesses at entry to and during training had slightly higher graduation rates than those without businesses.

Graduates from the core training were 40% more likely to experience business growth than those who did not complete the workshop. The finding that graduates had higher rates of positive business growth after training most conclusively supported the claim that graduates attained and then used their business skills to a higher degree than non-graduates.

Figure 5: Graduation and Business Growth Rates

Overall Graduation Rates and Business Growth:

- 75% of graduates experienced business growth
- 36% of non-graduates experienced business growth

Comparison of the average graduation rates for business owners whose businesses had higher growth rates also supports the assertion that graduates attained and then used the business skills. Clients with business growth scores of three or more had an average graduation rate of 93% compared to the average graduation rate for clients with low business growth rates (score of below 3 had an average graduation rate of 88%).

Table 3: Business Growth Rates and Graduation Rates

<i>Total Growth Points</i>	<i>Number of Clients</i>	<i>% of clients who graduated from Managing Your Own Business</i>
0	20	70%
1	3	100%
2	20	95%
3	14	93%
4	9	89%
5	10	100%
6	6	83%
7	1	100%
	Total: 83	

In the in-depth interview with Iris Jones she described applying the skills she was learning to her fast growing business:

We started off with the basics, and I applied every single thing that I learned from WISE to my business. Really I did. And it worked, it all worked. Just two weeks after I started the class, I had a big, really big, 82-unit building in Antioch. And from there it just took off. [...] I worked with Colleen and Lori, you know, after that point. I did the counseling sessions... I went to every single class—I don't think I ever missed a class. I was there the whole time.

Needless to say, she graduated.

Higher attainment of the business management skills may be related to whether or not the client has a business at entry. Women’s Initiative found that those with a business at entry were 8 percent more likely to graduate. Of the 43 clients who were operating a business when they entered the program 91 percent graduated, while among the 41 clients who were pre start-up at entry 83 percent graduated. This finding implied that the clients with businesses were slightly more motivated to attain and use the skills, and therefore, were slightly more likely to complete the assignments and graduate.

Table 4: Baseline Business Status for Graduates / Non-Graduates

	Graduates (n=73)	Non-graduates (n=11)
Pre Start Ups	34 (47%)	7 (60%)
Start Ups	14 (19%)	1 (10%)
Existing	25 (34%)	3 (30%)

Eighty-seven percent of the sample group, or 72 out of 83 clients, graduated from core training. Compared to overall WI core training graduation rates during previous fiscal years, the sample group higher than average graduation rate indicated that they might be more highly prepared and motivated to become business owners than other groups of graduates in previous years.

Table 5: Comparison Sample of WI Core Training Graduation Rates

	Sample Group	FY01	FY00	FY99	FY98	FY97
Graduation Rate	87%	80%	83%	77%	68%	82%

The reasons given by the eleven non-graduates for not completing the course point to possible difficulties in attaining the financial and record keeping skills presented in the last half of the 14 week course. A slightly greater proportion of drop-outs occurred at week 6 or 7 (36 percent: 4 of the 11 non-graduates). The other reasons for not completing the course were attributed to causes such as childcare, work and relocation. If the skills were not learned and practiced in the course, then it was less likely that the client would experience business growth.

Table 6: Sample Group Reasons for Not Graduating from Core Training

Number of Non Graduates n=11	Reasons for not Graduating	Notes
4	Dropped half way through when financials curriculum begins; no reason given by client	1 Success Circle member
2	Child Care Issues	
2	Unknown	
1	Moved to more affordable city	1 Success Circle member
1	Employment demands	Employment was related to business idea
1	Further education demands	

BUSINESS MANAGEMENT SKILL USE AFTER TRAINING

*To what extent do clients continue to use and apply the skills they have learned after they leave the program?*⁷

Over the 18 months of the Outcome Evaluation Project, business owners used the following business management skills most highly and consistently: Clear Business Vision, Record Keeping, Break Even analysis and Target Marketing. Clients reported use of all of the business management skills taught during core training after they graduated. The degree to which they used them varied.

Table 7: Most Highly Used Business Skills Summary (average scores)

6 Months after Training (n=43)	At 12 Months (n=42)	At 18 Months (n=24)
Business Vision (4.54)	Break Even (4.42)	Business Vision (4.42)
Break Even (4.54)	Record Keeping (4.38)	Record Keeping (4.34)
Target Market (4.33)	Business Vision (4.21)	Target Marketing (4.29)
Record Keeping (4.24)	Target Market & Describing the Competition (4.04 each)	Pricing System (4.13)

By six months clients used skills that promoted a clear business vision, laid the foundation for systematic record keeping, and began specific marketing and sales problem solving. These were the basic skills needed for the start up or stabilization phase of business growth. The business growth events that occurred during the first six months after training confirmed this: 23 percent of respondents reported that new stabilizations occurred, making stabilization the predominate

⁷ Clients with businesses rated their use level by responding to 28 questions about active use of the business management skills. Scores were recorded on a 1-5 scale with strongly disagree as 1, strongly agree as 5. The scores were then averaged. Answers ranged from the lowest use of 3.13 to the highest of 4.54 at six months; lowest of 3.166 and of the highest 4.4166 at one year; and lowest of 3.17 score to the highest of 4.41 at 1.5 years.

type of event experienced during the first six months after core training. (Please see Diagram 2: Business Growth and Skill Use below).

The first year after graduation was when the most start-ups occurred—17 percent of clients interviewed at six months and one year reported new start-ups. During that period clients focused on the day-to-day quantitative aspect of attaining market/sales goals while staying focused on their business vision. By one year they were reaching for their market by using competition analysis and target marketing. By 18 months they were adjusting their pricing to maintain their market position. Kathleen Flannigan describes how acquiring these skills was important to her:

It allowed me to bring stuff together—to connect stuff. It also allowed me to see everything as a flow, not as chaos, but as going in certain directions. My work’s tightened up too, in terms of what sells and what doesn’t sell, so that it really kind of sharpened my mind.

Diagram 2: Business Growth and Skills Comparison

<i>Business Growth and Skills</i>			
	<u>6 Months</u>	<u>12 Months</u>	<u>18 Months</u>
Business Growth Events	13 Start Ups	7 Start Ups	4 Start Ups
	2 Existing	7 Existing	5 Existing
	4 Established	3 Established	1 Established
	22 Stabilizations	2 Stabilizations	2 Stabilizations
	11 Expansions	18 Expansions	8 Expansions
Most Highly Used Business Skills	<i>Business Vision</i>	<i>Break Even</i>	<i>Business Vision</i>
	<i>Break Even</i>	<i>Record Keeping</i>	<i>Record Keeping</i>
	<i>Record Keeping</i>	<i>Business Vision</i>	<i>Target Marketing</i>
	<i>Target Marketing</i>	<i>Target Marketing</i>	<i>Pricing System</i>
	<i>Marketing</i>	<i>Competition</i>	<i>Break Even</i>

The financial management skill-set described in Table 8: Least Used Business Management Skills Summary (below) was not generally used during the first 18 months after training. This indicates that most microentrepreneurs did not absolutely need to use these skills in order to achieve basic business survival.

Table 8: Least Used Business Skills Summary (with average scores)

6 Months after Training	At 12 Months	At 18 Months
--------------------------------	---------------------	---------------------

Production Cycle (3.13)	Production Cycle (3.17)	Financial Statements (3.18)
Cash-Flow (3.24)	Funding (3.29)	Production Cycle(3.22)
Funding (3.42)	Financial Statements (3.33)	Cash-Flow (3.33)
Financial Statements (3.46)	Cash-Flow (3.37)	Budget (3.44)

Higher use of the least used skills was a sign of a more established business. Recognizing the need for financial management and achieving a more even production or sales cycle was a characteristic of those clients whose businesses had reached a larger scale. At 18 months after training Iris Jones, who runs a business at a much larger scale than the majority of WI clients, said that financial management skills were indeed the most relevant over time:

Well, what comes to mind off the bat is definitely financials—preparing financial statements and being able to read them and maintain your business cash-flow from month to month. That’s been very helpful for me, to let me know where my business stands and give direction. And also targeting my marketing. Knowing your market is very important. So I use that every day—those tools. And that’s everlasting. You can’t get away from it, you just do it.

Use of these skills may increase if clients understand that using the least used skills is a prerequisite to achieving business scale. Accordingly, micro-business owners will be best served if they understand the limitations placed on business growth by a lack of financial management and planning. In addition, just-in-time learning experiences that provide knowledge right when and where it is needed should be provided to those who want to achieve a greater scale.

The ability to seek business funding and achieve an even production/sales cycle may be possible only for larger scale businesses primarily due to personal credit histories and external forces. Saying that microentrepreneurs are not using these skills is perhaps misleading—we might say instead that these options are unavailable. Funding for very small businesses was difficult. Microbusinesses also tend to be the most sensitive to fluctuations in the local economy: one dry spell can force a microentrepreneur to return to wage or salaried work.

Other Uses of Business Skills

The most highly rated of all the business skills questions was whether they used the business skills in other areas of their lives. The five highest uses were:

- Ability to Organize Finances

“Organizing personal finances has made a major impact. Learning the skills of numbers has helped me to plan my financial future.”

- Increased Interpersonal Communications
“I use my business skills of negotiation with people in all areas of my life. In life you can learn how to communicate in order to get what you need and satisfy what they want.
- Increased Self-Confidence
“I’m much more assertive now. For instance with interviewing for a job. Instead of just taking what they offer, I negotiate myself by saying, ‘Oh, I have another interview tomorrow, I’ll get back to you.’”
- Ability to Teach Others
- Ability to be Organized

The use of the business skills in other areas of life begins to describe the personal development outcomes as well as unexpected social outcomes or multipliers.

BUSINESS GROWTH, PERSONAL INCOME, AND PERSONAL EFFECTIVENESS OUTCOMES AFTER CORE TRAINING

What are the key business and personal outcomes that occur for clients who participate in Women’s Initiative programs?

BUSINESS GROWTH, SURVIVAL RATES, JOB CREATION AND TECHNICAL ASSISTANCE USE

Business Outcome: Growth

Women’s Initiative program participants continued to start and strengthen their businesses after training was completed. Overall, 72% of the 83 core training participants had businesses (60 total) that experienced some degree of growth at some point within the eighteen-month study period. Within one and a half years of core training, 46% of participants started new businesses, 33% of participants strengthened or expanded existing or start up businesses and 10% of these existing businesses became more mature, established businesses. Seventy-six percent of the businesses survived for at least a year.

The current numbers support the claim that participation in the WI training results in business growth.⁸ Achievement of business growth events can be analyzed both at the time of the interview (every six months after core training) or overall during the 18 months after training.

⁸ Analysis of this longitudinal information was simple and limited because little comparison data was available. Comparison to WI business growth during previous fiscal years would be invalid as those events were recorded mostly during training or in consultations directly after training and no consistent longitudinal information was

Table 9: Business Growth Events After Core Training (February 1999-January 2001)

	Graduation (All respondents at graduation, n=83, baseline)	At 6 Months After Training (New events only; n=66 of 86 possible interviews at 6 months)	At 12 Months After Training (New events only; n=65 of 100 possible interviews at 12 months)	At 18 Months After Training (New events only; n=35 of 51 possible interviews at 18 months)
Pre Start-Ups	41 (49%)	--	--	--
Start-Ups	14 (17%)	11 (17%)	11 (17%)	3 (9%)
Existing	28 (34%)	2 (3%)	7 (11%)	6 (17%)
Established (mature businesses)	0 (0%)	4 (6%)	4 (6%)	1 (3%)
Stabilizations	5 (6%)	19 (23%)	5 (8%)	2 (6%)
Expansions	1 (1.2%)	8 (12%)	24 (37%)	10 (29%)

Using the business growth data in Table 9, WI can now make statements about business growth progress after training. The core training classes began with the following business status composition: 49 percent pre-start up businesses, 14 percent start up businesses with under a year of sales and 34 percent existing businesses with over a year of sales. By 12 months after training WI was serving approximately 30 percent pre-start up businesses, 40 percent start-up businesses, 20 percent existing businesses and 10 percent established businesses.⁹ The majority of the stabilization activity occurred within six months after graduation, while the majority of expansions occurred within a year to 18 months after training. Of the pre-start up businesses:

- approximately half became start-ups within the 18 months
- most of this growth occurred either during training or within the 12 months after training

Start-up businesses also progressed well:

- Of the total 39 start-ups during the study period, 15 matured into existing businesses (almost 40 percent).
- Most of the start-up activity occurred within the first 12 months after training.

gathered. In June 1995, WI conducted a survey of then current and former Loan Fund borrowers. Of those 32% who responded 91% were still in business (no count or length of time was given in the source document).

⁹ This is based on the number of pre-start ups that did (22) and did not (19) become start ups, start ups that became existing businesses (9) within the first year after training, and existing businesses that became established businesses

Within the total project period (based on at least one interview with 83 clients), 73 percent (60 clients) had businesses within the 18 months of graduation (these were unduplicated start-up, existing, or established businesses). Based on the overall percentages of businesses served (start-up (46 percent), existing (33 percent) and established (10 percent) businesses), program staff can now consider tailoring curriculum and technical assistance offerings to meet the specific needs of businesses at different stages of growth.

Business Outcomes: Survival Rates

Seventy-six percent of the WI client businesses survived for at least a year. This is based on interviews done twice within a year with the 50 clients who have businesses. Longitudinal analysis of business survival revealed that existing businesses at entry were more likely to survive at least 12 months: 82 percent of existing businesses at baseline survived at least a year after core training; 64 percent of start-ups at baseline survived at least a year. Of the 20 total start-ups within the 18 month period, 75 percent (15 businesses) survived at least a year. These initial (one year only) survival rate results were within range of the national average.

Nationwide research about micro-enterprises demonstrates that the survival rates range from 57-90 percent for periods of at least 2.6 years.¹⁰ WI business survival rates surpassed the standard United States Small Business Administration (SBA) business survival rate of approximately 50% for small businesses and microenterprises still operating after four years.

Figure 6: Business Survival Rate

<p>Business Survival Rate for at least a year: (50 clients with businesses were interviewed twice within a year)</p>	<p>76% (38 active businesses)</p>
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Longitudinal business survival details were as follows:

- Out of the 28 existing businesses at baseline, 23 survived at least 12 months, 3 business closed and 2 were not interviewed two times in 1 year (and thus the business outcome is unknown).

¹⁰ Nelson, Candace, Editor. (Fall 2000). *Microenterprise Fact Sheet Series: Microenterprise Development Works!: Outcomes for Clients*. Association of Enterprise Opportunity (AEO) Web Site: www.microenterpriseworks.org. page 3.

- Out of the 14 start-up businesses at baseline, 9 survived at least 12 months, 3 businesses closed and 2 were not interviewed at least two times in 1 year (and thus the business outcome is unknown).
- Out of the 41 pre start-up businesses at baseline, 6 businesses grew to a start-up and survived at least 12 months, 7 businesses grew to a start-up and then closed and 2 were not interviewed two times in 1 year (and thus the business outcome is unknown). Furthermore, 13 clients with pre start-up businesses never started their business and 13 pre start-ups started their business but were not able to be interviewed one year from start-up date in order to determine whether they survived.

Business Outcomes: Jobs Created

Twenty-one percent of WI businesses studied (13 of the 60 businesses) created jobs during the project period.

Figure 7: Jobs Created

Jobs Created by Businesses in Sample Group (not including owner)

Within 1.5 years 13 businesses (six of the businesses are in the success circle) created:

- 50 Full Time Positions: 48 from 1 business that went from start up to established within the study period (see Iris Jones Case Study)
- 6 Part Time Positions
- 14 Contract Positions
- 28 Temporary Jobs

Eliminating the obvious outlier (48 full-time jobs created by one client business, see the Iris Jones Case Study), the majority of jobs created by WI client businesses were 1) self-employment for the business owner (not included in the count) and 2) temporary, contract and part-time positions. The potential for job-creation by microbusinesses can be improved through services that enable business owners to achieve scale.

Business Growth Outcomes and Technical Assistance

Of additional interest was a description of the possible supports that seemed to make a difference in successful business growth, such as the amount, content and timing of technical assistance. Initial analysis revealed that clients whose businesses achieved medium to high growth rates (scores of 3 or more) received more hours of technical assistance on average than those with lower scores. They also received more technical assistance than the general sample pool.

Table 10: Technical Assistance Use by the Study Sample (in Hours)

Form of Technical Assistance	Mean	Median	Minimum	Maximum
Hours of Technical Assistance (all activities)	17.96	14.25	1	75
Hours of Technical Assistance (SBC ¹¹ Consultations Only)	9.98	6.875	0.5	54.5
Hours of Technical Assistance (all activities except SBC Consultations)	7.96	3.75	0	55

Table 11: Business Growth Rates and Average Technical Assistance Hours

Business Growth Rate	TA Hours (SBC Consultations Only)	TA Hours (All TA except SBC Consultations)	Total TA Hours
0 (N=20)	9.21	6.1	15.8
1 (N=3)	6.08	5.6	11.7
2 (N=20)	9.9	6.3	16.2
3 (N=14)	7.7	9.3	17.0
4 (N=9)	10.1	8.4	19
5 (N=10)	14.5	10.6	25
6 (N=6)	13.7	14.8	28.5
7 (N=1)	5	6	12.6

PERSONAL INCOME CHANGES

Women’s Initiative clients steadily increased their incomes over the course of 18 months.

Whether a client earned income from self-employment, a salaried or wage job, or a combination of both, the total amount of personal income earned increased. The 83 Women’s Initiative clients interviewed for this study increased their total average income 97 percent from baseline to 18 months. The average income of the 83 clients at entry into the program was \$13,286 and 18 months later, the average income had increased to \$26,233. Average self-employment income increased 152 percent, from an average of \$5,924 at baseline to \$14,910 at survey three, and salaried or wage job income increased 74 percent, from an average of \$14,919 to \$25,959.

Table 12: Total Average Personal Income (all sources)

	Baseline	6 Months	12 Months	12 Months
Total Income	\$13,286	\$22,619	\$25,313	\$26,233

¹¹ SBC = Small Business Consultants are the WI trainers and technical assistance providers.

Table 13: Average Personal Income from Self-Employment and Salaried or Wage Jobs

	Baseline	6 Months	12 Months	18 Months
Self-Employment	\$5,924	\$11,986	\$14,590	\$14,910
Salaried or Wage Job	\$14,919	\$21,193	\$23,326	\$25,959

According to the data in Table 14: Percentages of Income Sources (below), the number of Women’s Initiative clients who earned income from self-employment and/or a salaried or wage job increased. At baseline, 30 percent of the sample received income from self-employment. By the third interview, this percentage increased to 50 percent. Furthermore, 41 percent of the sample received income from salaried or wage jobs at baseline and by the third interview, 50 percent of the sample reported receiving income from this source.

Table 14: Percentages of Income Sources

	Baseline (N=83)	6 Mos. (N=66)	1 Year (N=65)	1.5 Year (N=35)
<i>% of Sample Receiving Income From:¹²</i>				
Self-Employment	30%	43%	59%	50%
Salaried or Wage Job	41%	48%	49%	50%
Other (Investments, etc.)	10%	10%	6%	14%
Family and Friends	9%	12%	5%	10%

Comparison with the business growth rates revealed that not all self-employed clients are drawing income from their businesses. According to the figures above, new and stabilizing businesses did not provide sufficient personal income for economic self-sufficiency. New and struggling entrepreneurs relied on financial support from other family members and/or on wage or salaried work to make ends meet. It’s unclear whether those who rely on part-time work to make up the difference between their living expenses and business income take longer to reach an established business stage. It may be true that the necessity of work keeps microentrepreneurs in a continual holding pattern where they are unable to make the leap to full-time self-employment exactly because they cannot devote more time to self-employment activities.

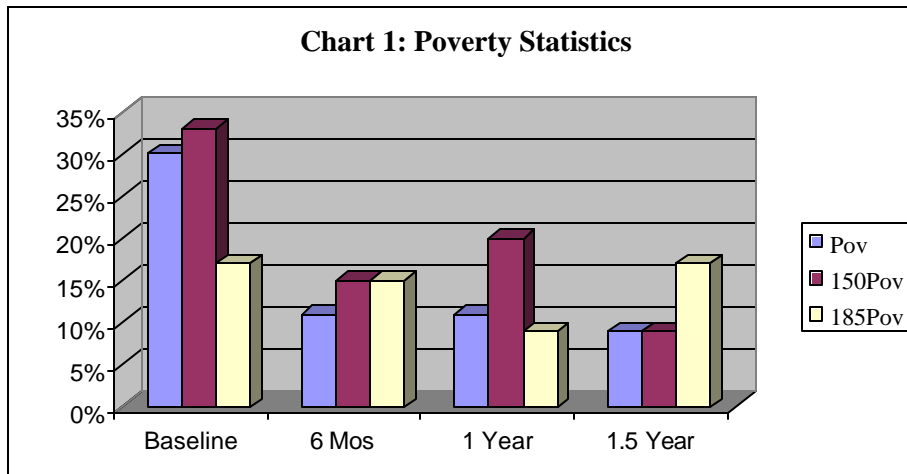
Other income benchmarks confirmed the finding that client personal income increased after core training. The Department of Health and Human Services (DHHS) national poverty guidelines

¹² Figures can be greater or less than 100 percent. Clients often “patch” together different sources of income and certain income categories were not included in the calculations.

set the poverty level for the country. In general, the data documents that after core training there is a significant drop in the percentage of clients who live with poverty-level incomes. In the 18 months of the project period, WI clients worked their way out of poverty. At the beginning of the study 80% of participants had incomes at or below 185% of the federal poverty guideline. Eighteen months after the training, this number had dropped to 35% of those interviewed. Chart 4 and Table 12 illustrate the redistributed rates of those in or within range of poverty.

Table 15: Poverty Statistics for Project Group

	N	100%Poverty	150% of Poverty	185% of Poverty
Baseline	86	30%	33%	17%
6 Mos	66	11%	15%	15%
1 Year	65	11%	20%	9%
1.5 Year	35	9%	9%	17%

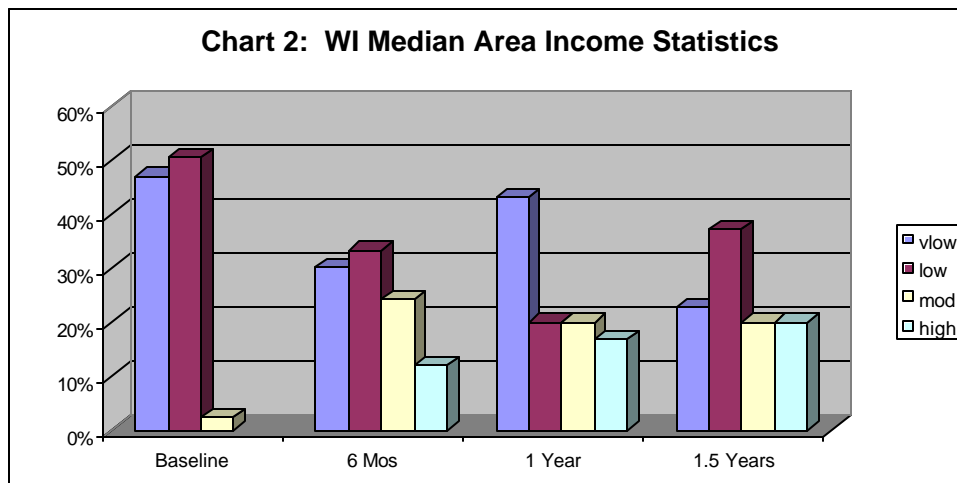


Median area income statistics determined by the federal Housing and Urban Development are based on county-level cost of housing by family size. As illustrated in Chart 2: WI Median Area Income Statistics (see below), in the first six months after core training there was a dramatic redistribution of income levels, which lowered the percentages with very low and low incomes overall while raising the percentages with moderate and high incomes. While the percentage of clients with very low income levels rose again at one year after training, the percentage of clients whose incomes met the moderate and high income levels steadily increased. It is reassuring that this supports the trends seen in the poverty statistics above. Incomes rise and fall, but steadily

increase over time. This finding is again confirmed later in this report by the economic self-sufficiency results.

Table 16: Median Area Income Status Changes for Sample Group

WI Income Category	Baseline (N=83)	6 Mos. (N=66)	1 Year (N=65)	1.5 Years (N=35)
Very Low Income (30% of median)	47%	30%	43%	23%
Low Income (50% of median)	51%	33%	20%	37%
Moderate Income (80% of median)	2%	24%	20%	20%
High Income (100% of median)	0%	12%	17%	20%



PERSONAL DEVELOPMENT OUTCOMES

The purpose of the Women's Initiative core training is to provide low-income women with access to the skills, support and financing needed to make sound choices about self-employment. The primary desired results of WI services are stronger businesses that lead to economic self-sufficiency. The secondary result desired from WI training is personal and social development, whether or not clients strengthen a business. While the principle purpose of the Outcome Evaluation Project was to document and analyze the client business and income related

outcomes, the organization equally values the growth of individual personal effectiveness that also occurs.

In an effort to begin documenting and analyzing these secondary outcomes, the Outcome Evaluation Project included seven in-depth case studies. The goal of the Women's Initiative outcome evaluation case studies was to complement the follow up survey information by providing a more comprehensive picture of the factors that influence microenterprise success. Four areas related to personal and social development were explored: personal background and support systems, motivation to pursue self-employment, challenges and changes experienced in the self-employment process, and the role of WI. The information was then analyzed for commonalties and differences between the seven case studies.

Overall, what surfaced from analysis of the case study transcripts was a group of women who were:

- from a diverse range of socio-economic backgrounds
- optimistic and readily took personal responsibility
- supported by life partners and other family members
- highly motivated to pursue self-employment by their own interests and passions as well as a desire to make a contribution to their community
- focused on the goals of meeting their business service or production projections
- challenged by finances and taxes as well as personal emotional issues
- very positive about the role of Women's Initiative in their lives
- experienced positive changes in personal income and fulfillment after core training

Through their stories and insights we were able to better understand that success has many faces and that clients follow many different paths to attain success on their own terms. The case studies, as well as the responses to an open-ended question on the survey, repeatedly asserted that clients defined their success as a heightened ability to stay true and realistic with themselves as they made decisions about the direction their life would take after the core training. Business and economic successes were important, particularly for those with businesses, but clients more often reported feeling increased fulfillment, happiness and self-confidence. In comparison to those who did not start or strengthen their business, the clients who experienced more business growth were:

- more likely to be moderate risk takers, adaptable/flexible and self-motivators
- more likely to have life partners and be supported by their families and Women's Initiative
- more likely to be challenged by time management and expansion issues
- more likely to be motivated by the desire to contribute to their community
- more likely to experience success as increased income, self confidence, and fulfillment

Only time and more research will confirm if these are essential or incidental characteristics, supports, motivators, and challenges for successful outcomes.

Synopsis of the Stories¹³

Of the seven experiences documented in the case studies, three clients strengthened their businesses (Iris Jones, Robyn Cleaves, and Leatha Jones), two clients overcame challenges and began to strengthen their businesses (Jane Doe and Kathleen Flannigan), one was planning to start a business in the near future (Wanda Williams), and one was undecided concerning her plan to start a business (Melissa Scott). These case study participants illuminate the wide range of outcomes experienced by WI clients.

Iris Jones is the confident and hard working owner of Bay Area Property Management, a company that manages residential and commercial properties throughout the San Francisco Bay Area. Iris grew up in the Bay View/Hunters Point neighborhood in San Francisco and now lives with her son and partner in the East Bay. After graduating from the WI core training in 1999 her start up business grew from approximately \$240.00 a month profit to establish itself with an \$8,000.00 monthly profit two years later. Consequently her personal income from her business went from \$924.00 a year to \$36,000.00 a year.

Robyn Cleaves is the energetic and successful owner of a pet sitting business and is known as Robyn the Pet Sitter to her clients located all over the San Francisco Bay Area. Robyn grew up in Bakersfield, a middle size city in the Central Valley of California, and was a preschool teacher in the East Bay for thirteen years. She and two co-teachers entered the Managing Your Small Business training with plans to start their own Montessori Preschool. They graduated from the WI core training in 1999 realizing that starting a school was unrealistic, both in terms of the amount of capital needed to start and in terms of the amount of return they could expect in the long run. Robyn realized that her love of animals and informal experiences pet sitting could result in the flexibility and income she desired. Within three months of becoming a full time pet sitter, and within six months after core training, she tripled her income from her business. In one and a half years after core training she went from making a personal self-employment income of \$5,100 a year to \$42,600 a year.

Leatha Jones is the proactive and successful owner of Write Connection Career Services, a full-service personal marketing firm that prepares clients for job search and career advancement. Leatha grew up in Berkeley and worked for many years before she began to get her long desired higher education. Her side job during school of assisting friends with resume writing led her to get more serious about building the business and to come to WI for practical business knowledge. Although she moved to the outskirts of the Bay Area one third of the way through the training and did not graduate, she found the homework and stories of other women's experiences helpful. She went from losing money on her business (a negative income) to making \$12,000 a year from her business almost two years later.

Jane Doe is the owner of Jane Doe Organizing Services, a personalized organizing service for clients in the San Francisco Bay Area. Jane grew up in Yonkers, New York and moved to California in the early sixties. Her business is her second try at self-employment since graduating from the Women's Initiative for Self Employment core training. The training guided her in the early days of opening and running a small consignment shop where she sold used household items. However, she found that the physical weakness caused by her disability, as well as a difficult business partnership, were major barriers in running the business. After much deliberation she closed her shop, suffering a financial loss of most of her start-up funds. She entered the WI training making no income from self-employment, and by 18 months later she was making \$10,260 a year from her business. This meant her personal income went from \$8,292 a year to \$18,819 a year—still low but more than double what it was.

Kathleen Flannigan is the passionate and determined artist who is Kathleen Flannigan Designs, the business side of creating and marketing painted works of art on furniture. Kathleen grew up in Los Angeles and San Diego and moved to Berkeley after attending Reed College. She came to the WI core training in 1999 in order to understand and learn to ride out the cyclical and unpredictable art world and make a profit. She had a very successful first year after core training and made more income from self-employment than ever before. Unfortunately, the year after that proved more challenging and marketing choices did not turn out as well as predicted. Although Kathleen more than doubled her income six months after training, it returned to what it was at entry by 18 months after training.

Wanda Williams is the hopeful and visionary owner of the pre-start up business Wanda On Wheels, a transportation company serving visitors to California prison facilities. Wanda grew up and lives in East Oakland and is the mother of five and grandmother of two. Her careful planning and saving for the start up capital will pay off when the time is right. Wanda's personal income has considerably increased since she completed the core training program. She entered the program with \$4,848 a year in unemployment benefits and one year later was making \$48,000 a year as a postal worker. She is well on her way to realizing her vision of a business that serves her community and her family.

¹³ Please see the full case study narratives in Appendix B.

Melissa Scott is a patient and focused clothing designer who hopes to return to her plan to start her own fashion design company when her finances and housing are more stable. Melissa grew up in Milpitas, a suburb of San Jose, California. Although she successfully completed and maintained education and jobs related to her industry, she faced many challenges. After being an enthusiastic student and graduate of Women’s Initiative, and working on planning her business full-time for a few months after class, Melissa Scott is putting her business on hold. For Melissa the self-employment process is taking more time, but meanwhile, she has gotten better positions at work, which have raised her yearly income by almost \$8,000 in the one and a half years since she completed core training (from \$20,820 a year to \$28,800 a year).

Personal Background/Characteristics

The background of the case study clients reflected the diversity of the San Francisco Bay Area. Equal numbers came from a range of class backgrounds: poverty, lower-middle/working class, and middle class. One person came from an upper-middle class background. Ethnicity and ages of case study participants also reflect the WI English-language program client base: four of the seven women are African American, 3 are European American, and all are between their late twenties and early sixties. Four of the seven were mothers, but only Iris Jones had a school age child at home—the rest had grown children. The three most successful clients had romantic/life partners to support them in their business growth while the others did not.

Entrepreneurs are said to have personal characteristics that see them through the hard times to eventual success. All the respondents gave evidence of high degrees of personal responsibility and optimism. Most clients talked about being independent and taking personal responsibility for making the best of their life situations:

Well, don’t put all your eggs in one basket—have a lot of different options that you can choose, and be extremely flexible. If something doesn’t turn out, have, within ten minutes, an alternative that you’re enthusiastic about.

—Kathleen Flannigan Case Study interview transcript

Melissa Scott and Leatha Jones both gave example of how they persevered in the face of challenges:

I even thought about things like design contests, like if it’s five-hundred dollars maybe I’ll try for it. But, if it’s a lot of time, and I’m probably not going to win, so I’m just not going to do it. I just have to keep saving money and putting it in the bank.

—Melissa Scott Case Study interview transcript

I left my mother when I was like seventeen or sixteen. I lived with one of my friends, I had a job, and I finished school. It was just stuff going on at home, so let me take care of myself and I'll just be my own resource.

—Leatha Jones Case Study interview transcript

The clients with more successful business growth exhibited a higher degree of moderate risk taking, adaptability and self-motivation in addition to personal responsibility and optimism.

Robyn Cleaves described moving from part-time to full-time self-employment:

I had been doing it part-time for two years, and the next big step was, all right, do I still want to teach, can I make this work full time, can I financially support myself doing just pet sitting? It was like stepping off the cliff. Within the first three months of doing this full-time I was making almost twice what I was making teaching.

—Robyn Cleaves Case Study interview transcript

There appear to be important entrepreneurial characteristics for successful business ownership.

The case-study interview clients indicated that they had access to the following supports alone or in combination:

- emotional support from family, mentors or others (Women's Initiative)
- financial support from other family member to cover family living expenses
- financial assistance from family, Women's Initiative, or other financial institution to provide business start-up costs
- Client's own savings provided start-up costs and/or paid personal bills before their business achieved profitability.
- technical support from Women's Initiative, mentors, and/or government or non-profit organizations
- Family members working in the business provided start-up investment.
- client working more than 70 hours a week provided start-up investment
- credit cards used to finance business
- Spiritual/religious faith provided emotional support.

The more successful clients had more partner, family and community support.

My partner's very supportive as well. She's an electrician, so she comes in, and does work for me sometimes. It all works out very well. When I first started, she supported me financially too. She would help me out with my personal bills, which really helped.

—Iris Jones Case Study interview transcript

The man that I'm dating now has been in business for himself for five years and he's been a fabulous resource. I'll go to him and ask, "Well what do I do?" And he helps me keep

the books and helps me with the taxes. I've been doing my books every month, and it's just bigger and bigger and bigger every month. It's just amazing.

—Robyn Cleaves Case Study interview transcript

Motivation to Pursue Self-Employment

Robyn Cleaves was motivated by being her own boss:

It's so exciting. I tell everybody. I say you just cannot beat being your own boss. Not that a lot of other problems don't come up, but I don't think I could ever work for anybody again.

—Robyn Cleaves Case Study interview transcript

In general, motivations to pursue self-employment included:

- desire to do meaningful, rewarding, creative work
- rejection of unsatisfying, demeaning work
- desire to contribute positively to the community
- increased flexibility compared with wage/salaried work
- desire to work in a less structured work environment and to have more freedom and independence
- desire for financial stability and upward mobility (to provide a better life for themselves and their families)
- inability or difficulty working in conventional settings/jobs due to disability issues

Five of seven case study clients reported that in addition to increased happiness, another over-riding motivation was the desire to do meaningful work that contributed to the community.

Wanda William's business provides a social service to her community and benefits her family:

I'm gonna be focusing on my business 'cause I want it to run smoothly with great benefits for me and my family as well as the community.

—Wanda Williams Case Study interview transcript

Iris Jones's business provides housing to a sector of society that is marginalized from affordable housing:

I really like the fact that I can provide affordable housing for individuals that are looking for housing. We have a really, really terrible situation with housing right now and a lot of families are being evicted because there are a lot of sellers. This is a seller's market right now, and a lot of people are selling homes, and you wouldn't believe the number of people who come in here saying that the owner is selling the house and they have thirty days to move. A lot of them have Section Eight vouchers, and a lot of them are working individuals, but they have to move because they're selling the house, and so we provide the service of finding them a house, and that's very rewarding to me. I also work with seniors, in affordable housing, and that's very rewarding for me too is working with seniors and helping them find a place.

—Iris Jones Case Study interview transcript

Six months later she had plans to invest in, not just manage, affordable housing:

Well, I'd like to move the business toward participating in new developments, new affordable housing developments. If I can just save enough money to invest in one of these projects, it will be really good. I'm looking forward to that, so I'm working on building capital to invest into a new development of affordable housing.

—Iris Jones Case Study update interview transcript

Not only did five case study clients mention this motivation, the topic was a recurring theme throughout each of these five interviews.

Due to the motivations listed above, the case study clients took many financial and personal risks. Client decisions to pursue self-employment resulted in both low and high degrees of risk-taking—a characteristic associated with entrepreneurial success. The case study clients who did not take financial and/or personal risks cited a general lack of financial and business support because of their low-income and/or socially underprivileged status. For the others, the fiscally conservative behavior generally associated with low-income status was mitigated by concerns about quality of life and personal happiness. For low-income microentrepreneurs, the motivation of increased happiness can outweigh the financial risk of starting a business.

Three out of the seven case study clients either closed or did not start businesses. Closing a business could be attributed in part to perceived or real financial risk. When talking about a “definition of success,” many women spoke of the fact that Women’s Initiative training helped them to determine whether their business idea was feasible. Some felt it was a success when they decided their idea was not possible. This was true for two of the case study participants. In Jane Doe’s case, she closed her consignment store and went on to start her personal organizing service a year later. Robyn Cleaves realized that her pet sitting business was far preferable to the Montessori Preschool idea. Both of these decisions were made during and after taking the Managing Your Small Business course and were based on financial risks factors being too high. Another two clients have put their businesses on hold until they have the financial security to more forward: Wanda Williams and Melissa Scott. The knowledge attained from Women’s

Initiative training saved them from making a mistake that would have had dire financial consequences.

Challenges

Overall, the case study clients mention not having access to, or eligibility for, the following supports, resources and abilities that generally result in success in the business world:

- significant family money
- SBA loans
- bank loans
- lines of operating credit
- venture capital
- informal or formal business support networks arising from school, family background, or professional affiliations
- facility with unspoken social codes, communication methods, and jargon that allow access to support from people with financial, business, and political power
- financial acumen, confidence, and knowledge

The biggest challenges for the case study clients were:

- lack of financing options
- personal financial difficulties
- lack of time
- challenges that came with lack of business scale
- lack of confidence with financial management (led to lack of financial planning)
- local economy that had a very high cost of living and cost of doing business
- challenges associated with the start-up phase of business
- difficulties in wage/salaried employment
- disability issues
- personal and family challenges

Iris Jones commented on financing and money, the most commonly cited challenge:

That's the hardest part—the money. If you're going to have to go with the loan, go with an organization such as WISE and start off small. Stay away from the banks initially. I say that because it's a lot more stressful in a small business. You have these high APR's and you have to pay it back, so you need someone who's more supportive. At least with WISE you have the support and the resources behind you. Banks aren't going to give you a consultant to help you with your flow charts. They're going to come get all your equipment out of your office if you don't pay them back. Your credit is going to go down the drain!

—Iris Jones Case Study update interview transcript

She also had words of wisdom for new entrepreneurs for how to overcome the challenge:

A lot of small business owners or start-ups don't have the money, or the capital. If you're going to wait for it, you're going to wait forever. You're never going to start your business waiting to save money, so you have to get through the hard times and just do it. That's the way to do it: get out there and get your feet wet.

—Iris Jones Case Study update interview transcript

According to the case study clients microenterprise success also brought challenges associated with business expansion or growth:

- questions about when to hire employees (balancing the need to increase scale and profitability with the challenges associated with employing others)
- lack of mentoring and support for small businesses (especially an issue for businesses that had moved beyond microenterprise but did not yet qualify for SBA or other service and loans)

Role of Women's Initiative

All of the case study clients mentioned feeling supported by Women's Initiative in the following ways:

- increased sense of connection with other business owners and women
- self-defining success and the concept of "businessperson" facilitated by WI
- PEP curriculum provided help working on personal issues
- supportive, individually tailored environment
- curriculum provided the knowledge and skills necessary to start a business

The Case Study clients also had suggestions for improving the Women's Initiative training and some criticisms:

- Follow-up services should be more comprehensive.
- The curriculum should provide more exercises using client businesses as examples.

In addition to support and suggestions for Women's Initiative, clients also gave examples of strengthening their self-confidence and networking competencies as a result of WI training:

I feel very strong this year. When you're doing something that you do well, you're successful. People appreciate it; you're making money; you're having a good time; and your body has more energy than when the opposite is going on.

—Jane Doe Case Study update interview transcript

I think the most useful was just getting me in the mindset of, "I can run my own business." Before I had taken those classes I avoided that end of transactions, period. I didn't want to deal with it. I mean that's one of the reasons you become a teacher. You

have absolutely no contact with it. Getting into the mindset that, “yes, this is possible; you can do it; here are the tools.” It made a huge difference. I told Michael, “There’s no way I would have gone into this full time if I hadn’t taken those classes because I would be completely uncomfortable.” I was thinking, “I can’t do this,” and “I don’t know how to do that.” You guys are the only people in the Bay Area that offer this specifically catered towards women, even though you do accept men, I think it’s amazing. I don’t think there’s been anything that was least helpful. I mean Michael was asking me, “What do they do? Do they do Debt Management? Do they do credit?” Yeah they did all of that stuff, everything. Even stuff that I don’t use, like profit and loss sheets, but I’m glad I know it.

—Robyn Cleaves Case Study update interview transcript

Two clients gave evidence of what has been informally tracked as an outcome: WI clients kept meeting with each other informally or formally for support—there have been anecdotal stories of barter networks or support groups continuing to meet after core training.

I do still meet with three other gals from my last group, and we continue to meet once a month. We’re even going to double it up to every two weeks now, because we’ve all gotten sidetracked. We all work full-time jobs trying to make money so we can eventually start our own businesses.

—Melissa Scott Case Study transcript

The women that were also in the class, you know, the other students, were really good as well. We had a really good bond and talked to one another.

—Iris Jones Case Study transcript

You know I need this support, it’s a women’s organization, and I’m sure you know it can be very difficult for a woman to start and maintain a small business, and especially in the real estate field, which is predominately run by men it’s very tough. I had a lot of anxiety going on, so it really helped me to release some of that anxiety.

—Iris Jones Case Study transcript

Advice to Other Women Following In Their Footsteps:

All the case study interviewees advised future Women’s Initiative clients to take the initiative to pursue self-employment.

I think it’s important to figure out something that you have an interest in and that you know how to do. First figure out what do you need from a business—why are you starting a business. If you have that focus in mind, that’s important. Some people say, don’t go into a business you don’t know anything about. I still kind of believe that. At least find out more about it, or have some type of skill. Or develop your skills—I’m constantly developing my skills. You have to do a lot of research and start talking to people who already have the business—just continue doing that, networking in classes or

as many places as you can. It takes time, but if you develop a plan I think you can do it.
—Leatha Jones Case Study interview transcript

You have to be it. You gotta do it ... and a lot of it, too, is that act of faith. Just step off the cliff. Don't dilly-dally around. I kind of dilly-dallied around 'cause I did this part-time while I was teaching, which made me a little more confident. You have to make that- it is just a leap of faith. It's very scary, and it's okay to be scared. That's the other thing I learned, it's okay to be scared. It's okay to worry, 'cause that'll make you go out and find more business.

—Robyn Cleaves Case Study interview transcript

Keep your energy up. Don't be negative. At Women's Initiative, there were negative people in the workshop. You can't be negative. You're wasting your time! You can't be a victim either, or you're wasting your time. If you feel sorry about yourself, you can't be a shrinking lily. You've got to get out there and do it. Your own worst enemy is yourself.

— Kathleen Flannigan Case Study interview transcript

Clear up any credit situations that you may have. Pray, do a lot of praying. Make sure that you pay all your taxes and just follow the rules, stay by the book, I would suggest affirmations on a daily basis. I use affirmations a lot; it really helps you. Don't be afraid to cry. Get some of the stress off in the morning before you leave for work; get it all out. I've had many of those days. Be very honest and go for it. Just do it. Never think that it can't be done, even when it's really, really hard, and you feel like you can't do it, just say, I'll do it one more day, every day. You can't go wrong.

—Iris Jones
Case Study first interview transcript

Well, I have a lot of advice. For start-up businesses, I would definitely say have a plan. Have a business plan and know exactly what you want to do. Of course you're always going to revise it, but at least have a plan and stick to your plan. If you're able to raise capital—don't quit your day job. Raise capital and have some money put aside if possible. That doesn't mean don't start your own business. It means start your business, but have the back-up funding. If that requires putting in evening hours, do it. If it requires working on the weekend, do it—because there will be a point when you will not have to maintain a day job. Start off very slowly and build gradually. Stay very committed to your vision. Just have persistence, and live by your word; follow through. You can't go wrong.

—Iris Jones Case Study second interview transcript

SUCCESS: ECONOMIC SELF-SUFFICIENCY AND BUSINESS GROWTH

How does achievement of these outcomes relate with the client's movement toward long-term economic self-sufficiency over time?

ECONOMIC SELF-SUFFICIENCY ATTAINMENT

Not only are Women's Initiative program participants achieving economic self-sufficiency through self-employment, but increasing numbers of clients achieve self-sufficiency over time. Within six months of completing core training, 32 percent of respondents achieved economic self-sufficiency through personal income (combined income from self-employment and a salaried or wage job); after 12 months, self-sufficiency had been achieved by 38 percent of respondents; and after 18 months, 46 percent had achieved self-sufficiency. Self-employment income alone brought self-sufficiency to 5 percent of respondents after 6 months, to 8 percent after 12 months and to 14 percent after 18 months.

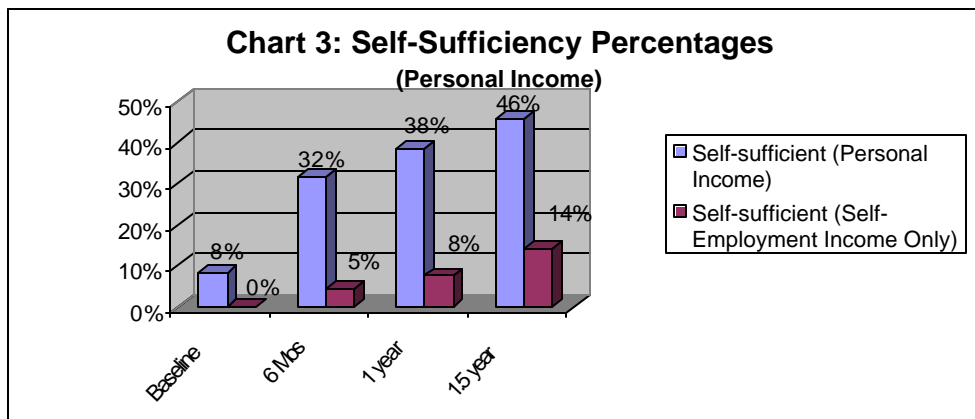


Table 17: Self-Sufficiency Summary

Self-Sufficiency	Baseline	6 Mos.	1 year	1.5 year
<i>Count at each interview point in time</i>	(N=83)	(n=66)	(n=65)	(n=35)
Self-sufficient Total (Personal income w/o public benefits)	7	21	25	16
Self-sufficient from Self-Employment Only (Sub-group of total)	0	3	5	5
<i>Percentage of Interviewees</i>				
Self-sufficient Total	8%	32%	38%	46%
Self-sufficient from Self-Employment Only (Sub-group of total)	0%	5%	8%	14%

Not Self-Sufficient	92%	63%	54%	40%
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Household Economic Self-Sufficiency

Household self-sufficiency attainment was also tracked. Household income was defined as income generated by all household members with whom the client shared income. Household income amounts were only slightly higher than personal (individual) income amounts, mostly because of the fact that the majority of clients in the sample were single women (87%) and did not share income. Household income also increased over time concomitant with personal income, pointing to the importance of women's self-employment and employment income contribution to the household. Due to the similarity between personal and household income, the self-sufficiency analysis uses personal, rather than household, income data.

Table 18: Household Self-Sufficiency Attainment (without Public Assistance*)

	Baseline (n=83)	6 months (n=66)	12 months (n=65)	18 months (n=35)
Number of Self-Sufficient Households	7	26	28	18
Percent of Self-Sufficient households	8.4%	39%	43%	51%

*The differences in counts between those with public assistance and those without is very small.

It follows that household economic self-sufficiency was attained at slightly higher rates than individual economic self-sufficiency. The difference between personal economic self-sufficiency attainment rates to household self-sufficiency rates revealed that partners or spouses contributed to 5-7% of the respondents' household self-sufficiency.

Sources of Economic Self-Sufficiency

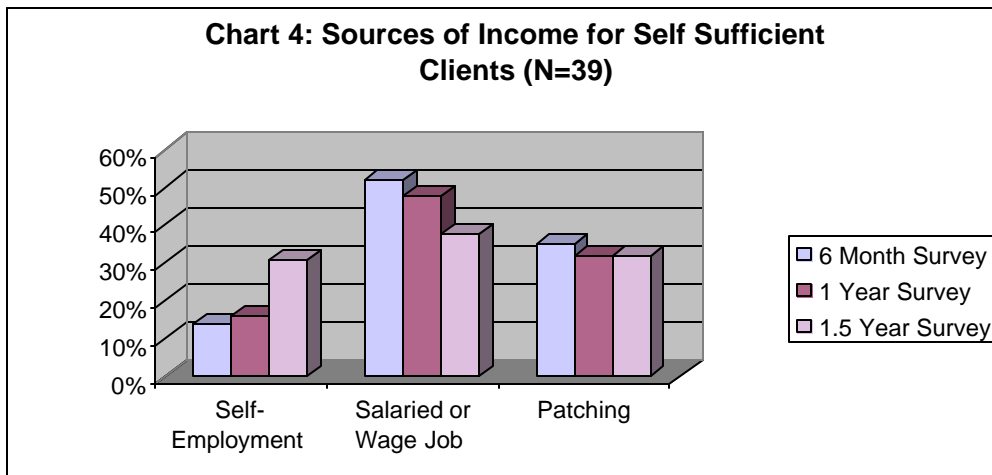
Women's Initiative program participants with self-employment income achieved personal income increases more quickly and in greater number than those with wage or salary income alone. Within one and a half years after core training, 54 percent of those who achieved self-sufficiency did so with income derived in whole or in part from self-employment, while 46 percent achieved self-sufficiency through salaried or wage jobs alone. Out of the 39 clients who attained self-sufficiency throughout the entire study, an average of 20 percent attained self-sufficiency by raising their self-employment income alone. This contrasts with the 46 percent of clients who attained self-sufficiency solely by income from a salaried or wage job and the 34

percent who “patched” together different sources of income in order to achieve a self-sufficient income level.

Table 19: Sources of Personal Income Used to Attain Self-Sufficiency

N= Respondents with Self Sufficient Incomes	6 Mos (N=21)	1 year (N=25)	1.5 years (N=16)	3 Surveys Combined (N=39)
Self-Employment Alone	14%	16%	31%	20%
Salaried or Wage Job Alone	52%	48%	38%	46%
“Patching” of two or more sources	35%	32%	32%	34%

In addition, out of the 34 percent of self-sufficient clients who attained self-sufficiency from “patching” together two of more sources of income, the greatest amount, or 16 percent, combined income from self-employment and a salaried or wage job. Nine percent combined self-employment income and other income, such as real estate, investments, personal savings, etc. Five percent combined income from a salaried or wage job and other income and four percent combine income from self-employment, a salaried or wage job and other sources.



Influences on Attaining Economic Self-Sufficiency

In order to shed some light on the factors that influenced a client’s ability to attain self-sufficiency, a comparison was performed between two groups—those who attained economic

self-sufficiency and those who did not attain economic self-sufficiency over the full project period. The variables compared included business growth rates, graduation rates and technical assistance hours. The comparison resulted in a finding that graduation from core training was a common variable for clients who attained economic self-sufficiency through self-employment income. The rate of business growth and technical assistance hours did not appear to influence attainment of self-sufficiency.

Business Growth Rates and Economic Self-Sufficiency

Out of the 39 clients who attained self-sufficiency or stayed self-sufficient throughout the length of the study, the median business growth rate was 3 on a growth rate scale of 0-7 points. This is compared to a median growth rate of 2 among the 44 clients who did not attain economic self-sufficiency. Although the difference between median growth rates might be enough to propose that business growth was a predictor of economic self-sufficiency, the difference in average growth rate contradicted this—being slightly lower for the clients who attained self-sufficiency (2.57 compared to 2.59). The evidence was not conclusive.

Graduation Rates

Surprisingly, the graduation rate for clients who did not attain self-sufficiency was higher than for clients who attained self-sufficiency—90 percent of non self-sufficient clients graduated compared to 79 percent of self-sufficient clients. However, 100 percent of clients who attained self-sufficiency by self-employment income alone graduated from Managing Your Small Business. Graduation from core training does appear to be related to attaining self-sufficiency by self-employment income.

Technical Assistance

On average, the group of clients who did not attain economic self-sufficiency received more technical assistance from Women's Initiative than the economically self-sufficient clients. Whether the clients gained economic self-sufficiency from total personal income or self-employment income alone, they received fewer hours of technical assistance:

- Clients who attained economic self-sufficiency received, on average, approximately 15 total technical assistance hours, approximately 8 hours of consultation with Small

Business Consultants and 7 hours of all other forms of technical assistance (networking events, computer training, topic seminars, etc.).

- Clients who did not attain economic self-sufficiency received, on average, 20.19 hours of technical assistance services, 11.76 hours of small business consultation and 8.43 hours of all other activities.

Follow-up technical assistance seemed to be more important for the clients who were struggling to make ends meet. These findings could also point to the fact that those who attained self-sufficiency were more independent and self motivating—needing less assistance or finding what they needed elsewhere. The non self-sufficient group were more likely to have pre-start up or start-up businesses that needed more assistance (as evidenced by the one point lower growth rate score than the self sufficient group). When combined with the previous finding that clients who have higher business growth rates received more technical assistance, it appeared that WI services are most utilized by those clients whose businesses are growing and those with challenging financial situations.

MEASURING SUCCESS

The Women's Initiative Outcome Evaluation Project defined success as an increase in personal economic self-sufficiency due to self-employment. Women's Initiative was also committed to the idea that clients have the right to define success for themselves. In doing the case study research it became clear that definitions of success vary widely. While many clients do indeed define success in terms of having a successful small business that enables them to move out of poverty and become economically self-sufficient (WI definition of success), other clients defined success in different terms. For example:

- opting for the financial security of wage work over self-employment
- working on business planning at their own pace rather than following a prescribed set of rules
- creating art, but not expecting to earn living expenses from it
- feeling confident about money and business management
- feeling physically and emotionally healthy

***Success Circle:** What Makes Success More Likely?*

Balancing individual definitions of success while continuing to measure success based on the Women’s Initiative mission statement was an ongoing goal. The success circle was created as a subset of the study group in order to analyze the effectiveness of Women’s Initiative services. Clients who comprised the Success Circle achieved self-sufficiency from personal income without public benefits and a rate of business growth greater than three. The circle represented 21 clients or 25 percent of the entire sample. Eight of the 21 success circle members attained self-sufficiency from self-employment income alone. Patching income sources remained a necessary component for successful microenterprise development among the other 13 participants.

Table 20: Success Circle Details

SUCCESS CIRCLE	Count	Success Circle Percentage of Total Sample where n=83	Percentage of Success Circle
Clients who attained self-sufficiency and had business growth > 3	21	27%	N/A
Clients who attained self-sufficiency (from self-employment alone) and had a business growth rate >3	8	10%	38%

Similar to the preliminary analysis that compared the economic self-sufficient clients and the clients who did not attain self-sufficiency, Women’s Initiative analyzed certain variables—demographics, business status at entry, business skill set used, business types, and training and technical assistance—for both the success circle and non-success circle to see if there were any similarities or differences between the two groups. The variables that seem to be most strongly related to successful business and income outcomes follow. Clients are more likely to succeed if they had

- at entry to training: an undergraduate degree, no children, someone in her family background who had owned their own business, work experience related to her business, and an existing business in either the arts or personal and beauty services

- used the following business skills most highly: record keeping, target marketing, break-even analysis, pricing, and a clear business vision
- received some but not a lot of technical assistance after training

Success Circle Demographics and Background Variables

- The success circle had more years of education than the clients who did not qualify for the success circle. Thirty-eight percent of the success circle completed undergraduate degrees, compared to 12 percent of the non-success circle, and 24 percent had a graduate degree or post-college coursework, compared to 21 percent of the non-success circle.
- The clients who did not qualify for the success circle had, on average, more years of work experience than the success circle. However, they had less years of relevant work experience. The non-success circle clients had an average of 7 years of relevant work experience compared to 10 years in the success circle.
- 52 percent of the success circle had someone in their family who owned their own business compared to 40 percent of the non-success circle.
- The success circle participants were starting out in slightly higher income brackets than the sample group overall: At baseline (graduation) 36% of the success circle participants were in the extremely low income bracket, and 59% were in the very low income bracket, compared to 47% and 51% of the respondents overall;
- At graduation the success circle participants' businesses were at more advanced stages of development than the non-success group: at baseline 81% of the success circle had operating businesses (36% (8) were start-ups, 45% (10) were existing). At graduation, 40% of the non success-group operating businesses. The pre start-ups were equally different: only 18% of the success circle started at baseline with a pre start-up, while 61% of the non-success group were at the pre start-upstage at baseline.
- 83 percent of the success circle were never married, compared to 51 percent of the non-success circle. A larger number of clients who did not qualify for the success circle were divorced, 34 percent, compared to 11 percent of success circle clients.
- 14 percent of the success circle were single parents compared to 29 percent of the clients who did not qualify for the success circle.

Success Rate and Business Skill Use

Among the clients in the success circle record keeping was consistently a highly used skill.

Although it often ranked among the top five skills used by the clients who were not in the success circle, it was not used as highly. Strong business vision, target marketing and pricing were other skills that were important tools for successful entrepreneurs. It appears that record keeping and pricing may be the make or break skills that are used the least (or not at all—as in the case of pricing) by less successful entrepreneurs. In her Case Study update interview Robyn Cleaves commented on the importance of pricing:

[Women] tend to undervalue their work, and I think that's another thing that Women's Initiative really helps people do, is stand up and say, look, I'm worth X amount of dollars and if you don't want to pay it I'll find somebody who will because they're out there.

Iris Jones stated the importance of monitoring her business financials in order to assess success:

Looking at my weekly reports and the new clients that are coming aboard makes me feel successful because it's growing. It's just evidence that it's growing. When I look at my figures from week to week, it's right there on the page.

Table 21: Top Five Skills Used by the Success Circle

(scale of 1-5, 1 = strongly disagree and 5 = strongly agree)

6 Mos.	1 Year	1.5 Year	Total Average
Record Keeping (4.53)	Target Market (4.42)	Business Vision (4.7)	Record Keeping (4.60)
Business Vision (4.53)	Record Keeping (4.78)	Record Keeping (4.5)	Target Market (4.37)
Target Market (4.4)	Pricing (4.17)	Breakeven Analysis (4.48)	Pricing (4.23)
Pricing (4.17)	Competition (4.08)	Target Market (4.3)	Breakeven Analysis (4.19)
Breakeven Analysis (4.0)	Breakeven Analysis (4.0)	Pricing (4.2)	Business Vision (3.07)

Table 22: Top Five Skills Used by the Non-Success Circle

(scale of 1-5, 1 = strongly disagree and 5 = strongly agree)

6 Mos.	1 Year	1.5 Years	Total
Business Vision (4.67)	Target Marketing (4.5)	Target Marketing (4.36)	Business Vision (4.46)
Breakeven Analysis (4.28)	Cash-Flow (4.36)	Record Keeping (4.24)	Breakeven Analysis (4.31)
Target Marketing (4.17)	Financial Statements (4.36)	Business Vision (4.21)	Target Marketing (4.29)
Procedures (4.00)	Marketing (4.12)	Competition (4.21)	Competition (4.12)
Competition (4.0)	Record Keeping (4.03)	Funding (4.21)	Record Keeping (4.08)

Table 23: Five Least Used Skills by the Success Circle

6 Mos.	1 Year	1.5 Year	Total
Budget (3.77)	Production Cycle(3.58)	Funding (3.6)	Production Cycle(3.48)
Production Cycle(3.47)	Cash Flow (3.29)	Budget (3.5)	Budget (3.4)
Cash-Flow (3.06)	Budget (3.25)	Production Cycle (3.4)	Funding (3.21)
Funding (2.93)	Funding (3.08)	Financial Statements (3.0)	Cash Flow (3.04)
Financial Statements (2.9)	Financial Statements (2.71)	Cash-Flow (2.77)	Financial Statements (2.87)

Table 24: Five Least Used Skills by the Non-Success Circle

6 Mos.	1 Year	1.5 Year	Total
Funding (3.74)	Sales Technical Analysis (3.56)	Cash-Flow (3.74)	Marketing (3.65)
Marketing (3.64)	Budget (3.55)	Marketing (3.7)	Budget (3.60)
Sales (3.45)	Funding (3.53)	Budget (3.4)	Financial Statements (3.55)
Cash-Flow (3.17)	Production Cycle (3.42)	Financial Statements (3.31)	Cash-Flow (3.44)
Production Cycle (2.73)	Business Vision (3.07)	Production Cycle (3.07)	Production Cycle (2.96)

Business Type

Clients who owned businesses in the arts comprised the largest part of the success circle—29 percent. Personal beauty services and business services were the second largest business type among the success circle with 19 percent each.

Table 25: Success Circle/Non Success Group Business Types

<i>Business Type</i>	<i>% of Clients in Success Circle with specific business type</i>	<i>% of Clients in Non-Success Group with specific business type</i>
Arts	28.5%	17%
Business Services	19.0%	7%
Child Care	0	5%
Cleaning Services	0	2%
Personal Services/Beauty	19.0%	12%
Food	9.5%	12%
Health Services	9.5%	12%
Social Services	4.7%	0
Travel/Tourism	4.7%	2%
Other	4.7%	18%

Business Training and Technical Assistance

- 86 percent of the success circle graduated from Managing Your Small Business. This is compared to 87 percent of clients who did not qualify for the success circle.
- Non-success circle clients obtained, on average, a greater numbers of technical assistance hours than success circle clients. For example, non success circle clients participated in approximately 18 hours of technical assistance compared to approximately 16 hours for success circle participants. Success circle clients, however, had a slightly greater amount of small business consultation hours than non-success circle clients (10.30 hours vs. 9.77 hours).

- 27 percent of the success circle received financing from the WI Revolving Loan Fund compared to 25 percent of the non-success group and 24 percent of the entire sample group.

The success circle business financials illustrate the extent of success. Even though the percentage of success circle clients who took a business draw and made a profit steadily increased over the study period, the actual median amounts in dollars rose dramatically between baseline and six months but then level out and even fall slightly in the following year.

Table 26: Success Circle Business Finances

	<i>Baseline</i>	<i>6 Months</i>	<i>1 Year</i>	<i>1.5 Years</i>
Profit (Prior Year)				
Average	\$7,539	\$13,272	\$14,933	\$35,556
Median	\$6,000	\$13,200	\$13,000	\$12,000
Profit (Average Month)				
Average	\$881	\$1,255	\$1,207	\$3,162
Median	\$608	\$1,100	\$1,084	\$2,000
Sales (Prior Year)				
Average	\$14,832	\$26,463	\$23,938	\$73,549
Median	\$11,267	\$26,800	\$30,000	\$22,800
Sales (Prior Month)				
Average	\$1,387	\$2,245	\$2,245	\$6,545
Median	\$1,400	\$1,300	\$2,500	\$2,750
Client Draw (Per Year)				
Average	\$10,898	\$14,318	\$15,379	\$24,694
Median	\$8,580	\$16,800	\$13,996	\$29,400

Table 27: Success Circle Business Profit

	# of Success Circle Clients with Business Profit	% of Success Circle Clients with Business Profit
Baseline	12 out of 22	55%
6 Months	14 out of 19	74%
1 Year	11 out of 14	79%
1.5 Years	8 out of 10	80%

Table 28: Success Circle Business Draw

	# of Success Circle Clients with a Profit who take a Business Draw	% of Success Circle Clients with a Profit who take a Business Draw
Baseline	10 out of 12	83%
6 Months	13 out of 14	93%
1 Year	11 out of 11	100%
1.5 Years	8 out of 8	100%

IMPLICATIONS

FOR WOMEN'S INITIATIVE CLIENTS

Clients can now define their own goals for self-employment income and business development based on realistic patterns experienced by the clients in the project group. They can better understand and control the pace at which they can expect their self-employment income to increase and reach a living wage level. It will take most women more than 18 months to achieve this from self-employment income alone. Wage employment or multiple income sources can be part of the transition to full time self-employment or a permanent, stable source of income that supports seasonal self-employment. The intuitive knowledge that the wage employment is most beneficial to business development if it is related to her business is confirmed. Clients can also know that those who enter with existing businesses can expect more rapid and successful long-term outcomes. Women who enter with pre-start up or start-up businesses know they too can make it, but it will be a longer process needing a slightly different skill set.

Training appears to be important for successful outcomes. Not every woman who goes through training succeeds in business, but other positive outcomes often result, such as gaining control of personal finances or getting a better job. Crucial business skills to master include record keeping, target marketing and pricing. In knowing that they most likely will need to use more of the advanced financial management skills as their businesses mature, they can relegate the degree of learning to understanding the concepts, vocabulary and where to find the relevant resources when they do need to use the skills. They can also expect that by the end of training and in their on-going relationship with Women's Initiative services they will become more confident about money and business management, get clearer on personal life goals and be part of an empowering network of support.

Follow-up consultations and technical assistance are most crucial for growing businesses. It is when clients are contemplating a change or find their businesses in transition that they can remember the Women's Initiative invitation of "once a client always a client" and return for support. One-on-one consultation appears to be the most useful mode of technical assistance,

perhaps because it is the most personalized and readily available. It is the just-in-time learning mode needed for busy entrepreneurs.

Perhaps most importantly, clients now have the evidence for what many already intuitively practice: they define their own success. They can be inspired and realistic about the possibilities by knowing the degree to which women who participate in WI training succeed. Equally inspiring as the success stories are the real life stories of overcoming challenges and changing business ideas or using wage employment on the path to self-employment.

FOR THE WOMEN'S INITIATIVE PROGRAM

The results of the project documented in this report confirm and add to the recommendations for enhancement of services made by WI staff and program participants after they examined the preliminary findings during June 2001.

Entrepreneurial Readiness / Screening and Assessment

The more ready a client is, the more likely she is to take full advantage of the training and ultimately succeed. The finding that successful outcomes are more likely to be experienced by those clients who enter with an existing business should not necessarily predetermine the mix of clients' business stages admitted to the core training. Realistic expectations and supports need to be provided for the owners of pre-start up and start-up businesses. The development process may take longer and be slower to show results. Clients need to realistically self-assess their personal (including financial), business and entrepreneurial readiness. WI can consider developing a program component for those who need more readiness coaching or training before the comprehensive business management training.

Core Business Management Training

In addition to the implications detailed in the section for clients (above) the findings suggest

- Revision of the training curriculum to use real-life case studies, teach additional personal and business record keeping and financials from beginning to end (currently the financials section of the curriculum begins in earnest during week seven of the fourteen-week workshop) and use more exercises that have the clients apply the skills to their own businesses instead of fictional businesses.

- Based on the percentages of start-up (46 percent), existing (33 percent) and established (10 percent) businesses served, program staff can now tailor the curriculum and technical assistance offerings to meet the specific needs of businesses at the different stages of growth (e.g. more help with business vision and career counseling for entrepreneurs with pre-start up businesses).
- continuing to foster support networks and other support services based on the clients' initiative
- offering flexible, on-call technical assistance during and after training completion

Post Training Technical Assistance

Women's Initiative needs to prioritize planning the range of services needed for supporting continual business growth (not just the early stages), build the staffing capacity to meet the client demand, and determine how to best re-contact clients periodically to check-in (create the demand). Implications of the findings for post-training technical assistance include

- Explore instituting a standard system for a check in or reconnection with clients after core training. Consider providing specialized services for at least the first year after core training because of the amount of business status changes that occur at that time. One-on-one consultations are the mode of technical assistance used most often by the more successful clients, particularly in terms of business development.
- The number of established businesses increased steadily over time. Does, and how does, WI serve more mature businesses more effectively? Business financial planning and goal setting were a weak set of skills. This may catch up to the entrepreneurs as they try to bring their businesses to scale or simply operate healthy businesses (less of the survival/crises mode). How do these businesses get to the scale desired by the owner?

Iris Jones spoke to this need in her Case Study update interview:

I would suggest to WISE to have those meetings at different levels, for women that may, have so much revenue coming in. I would love to get together on a monthly basis with a group of women that are on my level, so we could just play situations and topics out. That would be wonderful.

Financing Services

The issue of access to business capital may be the key to success. According to findings concerning which business skills were used during the 18 months after training, the clients' track records for seeking capital were still in development. The client may also have credit or personal

finance issues to resolve during the first year after training. Those who are in transition to full self-employment may find it difficult to break out of earning her business capital from a wage job. Clients repeatedly reported that it is difficult for them to qualify for the limited options available for capitalizing micro-businesses, such as SBA loans or venture capital opportunities. In addition, the client does not want to go into debt and might opt for less risky options like grants, Individual Development Accounts (IDAs) or waiting to save the start-up funds. This makes continuing and strengthening the WI financing services, such as the Revolving Loan Fund and Individual Development Account (IDAs) programs, all the more important. Women's Initiative may want to consider exploring what additional micro-equity and asset building services might be appropriate for WI clients.

FOR WOMEN'S INITIATIVE AS AN ORGANIZATION

Strategic Directions

By both the internal organizational and external standards of the microenterprise field in the United States, Women's Initiative is succeeding in fulfilling its mission of providing microenterprise training to low- and very low-income women who start microbusinesses and attain economic self-sufficiency. The rate of success can always be improved. How the organization moves forward will be determined by incorporating these findings into strategic planning.

Women's Initiative clients are learning the tools to improve their personal financial situations during Managing Your Small Business. Clients are improving their earning power and earning greater amounts of income from self-employment, salaried or wage jobs. Even if clients are not starting their own businesses, they are learning the tools needed to earn more money for themselves and their families—therefore moving out of poverty and into economic self-sufficiency. WI can consider claiming the full range of outcomes that result in economic self-sufficiency as successful outcomes. The reality of multiple income sources ("patching") may point to considering offering employment/career training material or strategies in the WI program. In order to facilitate client business growth, formal and long-term collaborations, that are more than a simple one-time referral, with organizations that provide the support services,

which are not in the Women's Initiative mandate should be continued. Examples are personal finance management counseling, career counseling, equity building strategies (IDAs, home buying, etc.) and other social service resources.

In the past WI has set business growth event goals based on events reported by Small Business Consultants (trainers) only during training or consultations (current client load). WI will be able to set more accurate program goals in the future as a result of this project and on-going outcome evaluation. WI was better able to track outcomes for this group because of the regular follow-up and client contact. This is the first time in the 12 year history of WI that this many clients have been contacted so consistently after core training. In addition to simply capturing more records of business growth events, the follow-up survey process itself may have encouraged this group of individual microentrepreneurs to acquire the technical assistance they needed to succeed. When asked an open ended question about the program or survey process, clients repeatedly commented on how important the on-going relationship with WI is to them, and the helpfulness of the survey process as a reminder to get the technical assistance they needed. Women's Initiative needs to determine what the scale and scope of on-going outcome evaluation will be.

FOR THE MICROENTERPRISE INDUSTRY

Implications for the training and technical assistance programs within the microenterprise industry are similar to those for WI services and delivery and as an organization. In addition to the number of Women's Initiative program participants achieving business development outcomes, start-up, stabilization and expansion as well as increased earnings indicate that microenterprises are contributing to the local economy where they serve local needs, increase the local tax base and stimulate local consumer spending. These findings begin to contribute to the effort within the microenterprise industry to demonstrate how micro- and small business training programs play a significant role in community-based economic development. On the policy level, access to appropriate financial services, markets and training should be encouraged in order to support microenterprise success.

FOR FURTHER INVESTIGATION

On-going outcome evaluation of Women's Initiative programs will lead to more conclusive findings in the future. For the longer term planning, this implies at least a four year follow-up period after core training, which would lead to a larger sample size and clients who receive varying amounts of services (possible control or comparison groups). For the mid-term (in the next year) WI plans to continue to interview the clients in this project group as well as more recent core training participants. In the short term Women's Initiative will continue to further analyze the rich data from this project. Some of the topics or issues to be addressed in future analysis include

General

- the results from the Women's Initiative ALAS program (training and support for Spanish speakers) outcome evaluation
- The case studies and examples of how clients use the business skills in other areas of life begin to describe the personal development outcomes as well as social outcomes or multipliers. These need to be fully developed and incorporated into future outcome evaluation efforts.
- Were there any successful clients that did not fit the successful profile described above (particularly demographics)? What factors enabled their success?
- What factors contributed to the low numbers of Asian/ Pacific Islanders participating in Women's Initiative's services?
- How can women who do not have support networks be better served?
- How do assets and liabilities change over time? (The Outcome Evaluation Project gathered, but did not have time to analyze, data about client/household assets and liabilities.)
- How do these WI results measure up against other comparable findings about microenterprise outcomes in the United States?

Regarding business skills

- Given the continuing business growth after training are there different tool kits or skill sets for different growth stages?
- The business skills, and the life skills and competencies developed in the Personal Effectiveness and Power (PEP) component of the curriculum, may be more transferable than previously documented. To what extent is this true?
- Why are the cash-flow and financial statements not used by the majority of clients during the first 1.5 years? Are they not being used, do clients not know that they are using these tools, or do clients not know how to use these tools? Do clients with microbusinesses really need to use these skills, and if so, when?

Business growth and success

- Analyze business financials for the entire group of business owners. What are the patterns regarding profits over time? What are the most common sources of financing for WI client businesses. (The Outcome Evaluation Project gathered but did not have time to analyze business financial data.)
- How is follow-up technical assistance related to business growth over time? Is the assumption that more technical assistance leads to more business growth true? For example, Do clients with start-ups need more technical assistance hours than clients with pre-start up businesses? Do high growth rate clients need more technical assistance hours?

Income growth and success

- A significant number of program participants “patch” their income (combine income from different sources) even after business start-up. For some clients this is due to their business size and scale of operations; for others, a patching strategy was appropriate to their households needs and composition. Whether patching continues to be necessary for long-term economic self-sufficiency, or is an income strategy suited only to the early stages of business development, needs further investigation.
- What are the implications for dependents, especially children of business success?

CONCLUSION

By engaging in this Outcome Evaluation Project, Women's Initiative for Self Employment now has strong tools with which to demonstrate that its training and technical assistance services are indeed a successful strategy for low- and very low-income women who want to increase their income through business ownership. The project also helps demonstrate that microenterprise development is a compelling option for policy makers and donors who want to support effective poverty alleviation measures and sustainable community economic development. Further, the project demonstrates the importance and benefits of institutionalizing longitudinal client tracking systems. For Women's Initiative clients the project provided an opportunity to stay in touch with their business development vision and Women's Initiative services. For Women's Initiative, the project has significantly expanded the organizational capacity for program delivery and development, resource development, and policy advocacy.

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BACKGROUND: GENERAL

Table 1: FIELD Project Period and Timeline

Total Project Period	Phase I Project Design	Phase II Data Collection	Phase III Data Analysis
7/1/99-6/30/01	7/1/99-12/31/99	1/1/01-2/26/01	2/27/01-6/30/01

Table 2: Outcome Evaluation Project Sample, Projected Survey Dates, and Surveys Possible

Survey Group & Cohort / Graduation Date	Number of Enrollees	Survey 1 6 months post training		Survey 2 12 months post training		Survey 3 18 months post training	
		Due Date	Possible # of Surveys	Due Date	Possible # of Surveys	Due Date	Possible # of Surveys
Group 1A 2/18/99	14	Not Possible*	0	2/18/00	14	8/18/00	14
Group 1B 5/11/99	9	11/11/99	9	5/99/00	9	11/11/00	9
Group 1C 6/10/99	14	12/10/99	14	6/10/00	14	12/10/00	14
Group 1D 7/21/99	14	1/21/00	14	7/21/00	14	1/21/01	14
Group 2A 9/20/99	10	3/20/00	10	9/20/00	10	Not Possible	0
Group 2B 10/26/99	12	4/26/00	12	10/26/00	12	Not Possible	0
Group 2C 12/16/99	14	6/16/00	14	12/16/00	14	Not Possible	0
Group 2D 1/26/00	13	7/26/00	13	1/26/01	13	Not Possible	0
Project Participant Pool	100	Total Surveys Possible	86		100		51

*See Table 1 for project timeline

Table 3: Outcome Evaluation Project Sample and Response Rates (Narrative Report Table 2, p. 14)

Survey 1	6 months after core training:	79% (66 women of 86 possible enrollees)
Survey 2	12 months after core training:	65% (65 women of 100 possible)
Survey 3	18 months after core training:	69% (35 women of 51 possible)
Total number of respondents interviewed at least once:		83% (83 women of 100 possible)
Case Studies one year after core training:		8% (7 case studies)
Case Studies with 1.5 year update:		5% (4 case studies)

Table 4: Outcome Evaluation Project Program Activity Summary Table

	Project Objective (number of WI clients)	Project Participant Pool (number of WI clients)	Project Sample (n= 83)
Core training enrollees (October 98-October 99)	100	100	83
Core training graduates	80	81	72
Post training business support services attendees (for both project years)	50	86	72
New Business Growth Events after graduation <ul style="list-style-type: none"> • Start Ups, Existing, and Established • Stablizations and Expansions 	25	<ul style="list-style-type: none"> • 53 • 66 	<ul style="list-style-type: none"> • 51 • 64
Active Businesses (unduplicated count)	--	66	63

DEMOGRAPHICS CHARACTERISTICS OF INTERVIEW RESPONDENTS: WHO ARE THE WI ENGLISH LANGUAGE CORE TRAINING ENROLLEES?

Table 5: Sample Group Demographic Characteristics (Narrative Report Table 1, p.13)

Demographic Characteristic	Average or % of Sample
Income:	All very low or extremely low income (HUD) at entry
Poverty Guidelines (DHHS)	80% have incomes at or below 185% of the poverty guidelines (DHHS) at entry
Temporary Aid for Needy Families (TANF) cash recipients:	13% receive TANF benefits at entry
Age:	40 years old (average)
Race/Ethnicity:	
▪ European American	▪ 45.8%
▪ African American	▪ 34.9%
▪ Latino	▪ 6.0%
▪ Asian/Pacific Islander	▪ 8.4%
Educational Level	16 years average
Work Experience (years):	19 years average
Household Composition:	
▪ Single (never been married)	▪ 59%
▪ Married	▪ 8%
▪ Divorced/Separated	▪ 28%
Single Mothers	25%
Clients with Disabilities	22%

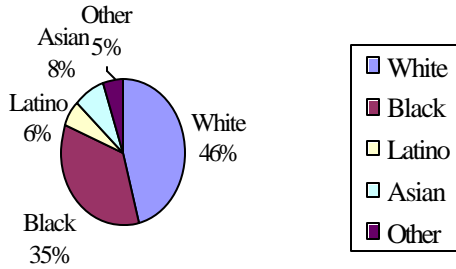
RACE/ETHNICITY

Womens Initiative serves five counties of the Bay Area: Alameda County, Contra Costa County, Marin County, San Francisco County, and San Mateo County. The graphs below show the Population by Race/Ethnicity for the five Bay Area counties (Census 2000) and compares the figures to the Womens Initiative program Race/Ethnicity statistics.¹

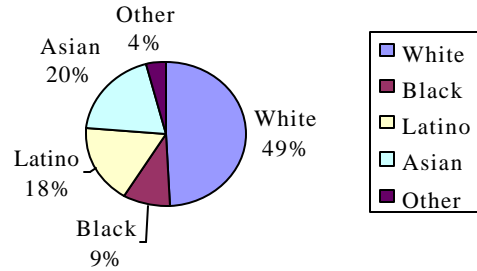
Womens Initiative English language program effectively serves the same proportion of the White (European American) population with 45.8% of respondents, compared to 49.1% of the Bay Area White population. WI serves a higher much higher proportion of African American clients than might be predicted by the Bay Area ethnic make up. African Americans make up 34.9% of the program respondents, compared to just 9.4% of the Bay Area Black population. It should be noted that the program figures do not include the ALAS/Spanish Language Program. The Bay Area Hispanic population (17.8%) is well above the program population (6%), however Womens Initiative's ALAS Spanish language program serves the needs of the Latino Spanish speaking population and is not included in this evaluation. In comparison to the Bay Area statistics, the Asian/Pacific Islander group has been underrepresented in Womens Initiative: serving only 8.4% versus the 19.59% of Asian/Pacific Islanders in the Bay Area.

¹ US Census 2000

**Chart 1: WI Outcome Evaluation
Race/Ethnicity**



**Chart 2: Bay Area
Race/Ethnicity**



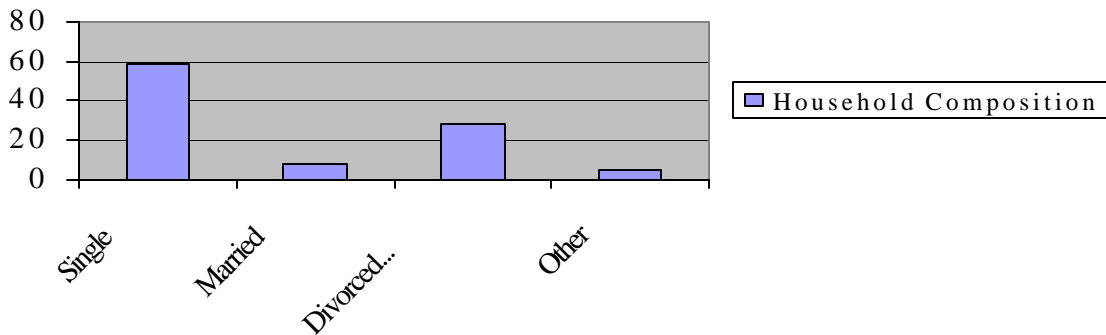
EDUCATION LEVEL

The Women’s Initiative program participants had an average education level of 16 years (High School plus some college and/or trade school), which is closely in line with the average education level for the city of San Francisco. According to San Francisco City Facts, in 1995, 35% of San Francisco residents over 25 were college graduates with at least 16 years of education and 78% were high school graduates.

FAMILY MAKE UP

According to the Womens Initiative data, 59% of participants are single (never been married), 8% are married, 28% have been divorced or separated, and 25% of respondents are single mothers. Compared to the US Census Report from 1990, 17% of Californian women were single mothers and about 76% were married-couple families.

**Chart 3: WI Outcome Evaluation
Household Composition**



Wome

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SERVING DISABILITIES

Womens Initiative effectively serves the disabled community of the Bay Area, with 22% of respondents having some sort of disability (defined as “any physical, cognitive, sensory, psychiatric, or other disability).

In 1995, an estimated 20.6% of non-institutionalized civilians (53.9 million people) met the criteria for disability as measured by the SIPP (Survey of Income and Program Participation). Women and girls with disabilities are estimated to number 28.6 million, which is 21.3% of the female population. An estimated 25.3 million men and boys with disabilities make up 19.8% of the male population. When examining the number of females with disabilities (28.6M) compared to the female population (133.9M), Womens Initiative is in-line with the average number of females with disabilities (22% WI vs. 21.3% females). Serving the needs of clients with disabilities will continue to be an important segment of Womens Initiatives clients in the future.

RESEARCH QUESTION 1: TO WHAT DEGREE DO CLIENTS ATTAIN SPECIFIC KEY BUSINESS MANAGEMENT SKILLS WHILE ENROLLED IN OUR CORE PROGRAM?

All the clients represented in the sample are assumed to have attained key business management skills if they graduated from the core training. 88 percent of the sample group, or 73 out of 83 clients, graduated from core training. This represents at least a basic understanding of 14 core business skills and at best the ability to apply the skills, as well as the development of the 11 core competencies.

Table 6: WI Core Training Graduation Rates Summary (Narrative Report Table 5, p.19)
(Fiscal Year (FY) averages include Spanish language program core training graduation rates, which tends to be slightly higher than English language program graduation rates)

	Sample Group	FY01	FY00	FY99	FY98	FY97
Graduation Rate	88%	80%	83%	77%	68%	82%

Table 7: Sample Group Reasons for Not Graduating from Core Training (Narrative Report Table 6, p.19)

Number of Non Graduates (n=11)	Reasons for not Graduating	Notes
4	Dropped when financials curriculum began (half way through; no reason given by client)	1 Success Circle member
2	Child Care Issues	
2	Unknown	
1	Moved to more affordable city	Success Circle member
1	Employment demands	Related to business idea
1	Further education demands	

RESEARCH QUESTION 2: TO WHAT EXTENT DO CLIENTS CONTINUE TO USE AND APPLY THE SKILLS THEY HAVE LEARNED AFTER THEY LEAVE THE PROGRAM?

All of the business management skills taught during core training are used by clients after they graduate. The degree to which they use them varies. Questions were asked about skills use and scores were recorded on a 1-5 scale: strongly disagree as 1, strongly agree as 5. The scores were averaged. Answers ranged from the lowest use of 3.13 to the highest of 4.54 at six months; lowest of 3.166 and of highest 4.4166 at one year; and lowest of 3.17 score to the highest of 4.41 at 1.5 years. These questions were asked of only those clients who had active businesses.

Table 8: Most Highly Used Business Skills Summary (with actual average scores)
(Narrative Report Table 7, p.20)

6 Months after Training (n=43)	At 12 Months (n=42)	At 18 Months (n=24)
Business Vision (4.54)	Break Even (4.42)	Business Vision (4.42)
Break Even (4.54)	Record Keeping (4.38)	Record Keeping (4.34)
Target Market (4.33)	Business Vision (4.21)	Target Marketing (4.29)
Record Keeping (4.24)	Target Marketing & Describing the Competition (4.04 each)	Pricing System (4.13)

Table 9: Least Used Business Skills Summary (with actual average scores)
(Narrative Report Table 8, p.21)

6 Months after Training	At 12 Months	At 18 Months
Production (3.13)	Production (3.17)	Financial Statements (3.18)
Cash Flow (3.24)	Funding (3.29)	Production (3.22)
Funding (3.42)	Financial Statements (3.33)	Cash Flow (3.33)
Financial Statements (3.46)	Cash Flow (3.37)	Budget (3.44)

OTHER USES OF BUSINESS SKILLS

The most highly rated of all the questions was the question asking if they use the business skills in other areas of their lives. The five highest uses and examples of use:

- Ability to Organize Finances
“Organizing personal finances has made a major impact. Learning the skills of numbers has helped me to plan my financial future.”
- Increased Interpersonal Communications
“I use my business skills of negotiation with people in all areas of my life. In life you can learn how to communicate in order to get what you need and satisfy what they want.
- Increased Self-Confidence
“I’m much more assertive now. For instance with interviewing for a job. Instead of just taking what they offer, I negotiate myself by saying, ‘Oh, I have another interview tomorrow, I’ll get back to you.’”

- Ability to Teach Others
- Ability to be Organized

Table 10: Technical Assistance Usage by the Study Sample (in Hours)
(Narrative Report Table 10, p.26)

Form of Technical Assistance	Mean	Median	Minimum	Maximum
Hours of Technical Assistance (all activities)	17.96	14.25	1	75
Hours of Technical Assistance (SBC ² Consultations Only)	9.98	6.875	0.5	54.5
Hours of Technical Assistance (all activities except SBC Consultations)	7.96	3.75	0	55

Diagram 1: Business Growth and Skills Comparison (Narrative Report Diagram 2, p.21)

<i>Business Growth and Skills</i>			
	<u>6 Months</u>	<u>12 Months</u>	<u>18 Months</u>
Business	13 Start Ups	7 Start Ups	4 Start Ups
Growth	2 Existing	7 Existing	5 Existing
	4 Established	3 Established	1 Established
	22 Stabilizations	2 Stabilizations	2 Stabilizations
Business Skills	11 Expansions	18 Expansions	8 Expansions
Used Highly	<i>Business Vision</i>	<i>Break Even</i>	<i>Business Vision</i>
	<i>Break Even</i>	<i>Record Keeping</i>	<i>Record Keeping</i>
	<i>Record Keeping</i>	<i>Business Vision</i>	<i>Target Marketing</i>
	<i>Target Marketing</i>	<i>Target Marketing</i>	<i>Pricing System</i>
	<i>Marketing</i>	<i>Competition</i>	<i>Break Even</i>

² SBC = Small Business Consultants are the WI trainers and technical assistance providers.

RESEARCH QUESTION 3: WHAT ARE THE KEY BUSINESS AND PERSONAL OUTCOMES THAT OCCUR FOR CLIENTS WHO PARTICIPATE IN WOMEN'S INITIATIVE PROGRAMS?

BUSINESS OUTCOMES

Table 11: Business Growth Events After Core Training (February 1999-January 2001)
(Narrative Report Table 9, p.23)

	Graduation (n=83, baseline)	At 6 Months After Training (New events only; n=66 of 86 possible)	At 12 Months After Training (New events only; n=65 of 100 possible)	At 18 Months After Training (New events only; n=35 of 51 possible)
Pre Start Ups	41 (49%)	--	--	--
Start Ups	14 (17%)	11 (17%)	11 (17%)	3 (9%)
Existing	28 (34%)	2 (3%)	7 (11%)	6 (17%)
Established (mature businesses)	0 (0%)	4 (6%)	4 (6%)	1 (3%)
Stabilizations	5 (6%)	19 (23%)	5 (8%)	2 (6%)
Expansions	1 (1.2%)	8 (12%)	24 (37%)	10 (29%)

Figure 1 (Narrative Report Figure 6, p.25)

Business Survival Rate for at least a year: (50 clients with businesses were interviewed twice within a year)	76% (38 active businesses)
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BUSINESS SURVIVAL RATES

- 38 businesses, or 46 percent of the entire sample of clients(83), survived at least 1 year
- Out of the 28 existing businesses at start-up, 23 survived at least 12 months, 3 business closed and 2 were not interviewed two times in 1 year (and thus the business outcome is unknown.)
- Out of the 14 start-up businesses at baseline, 9 survived at least 12 months, 3 businesses closed and 2 were not interviewed at least two times in 1 year (and thus the business outcome in unknown.)
- Out of the 41 pre start-up businesses at baseline, 6 businesses grew to a start-up and survived at least 12 months, 7 business grew to a start-up and then closed, and 2 were not interviewed two times in 1 year (and thus the business outcome in unknown).
Furthermore, 13 clients with pre start-up businesses never started their business and 13 pre start-ups started their business, but were not able to be interviewed one year from start-up date in order to determine if they survived.

This count includes only clients who were interviewed two times throughout the 1.5 years of the study. Therefore, a higher number of businesses could have survived greater than 1 year yet WI did not gather the information.

Table 12: Business Growth Rates and Graduation Rates (Narrative Report Table 3 , p.18)

<i>Total Growth Points</i>	<i>Number of Clients</i>	<i>% of clients who graduated from Managing Your Own Business</i>
0	20	70%
1	3	100%
2	20	95%
3	14	93%
4	9	89%
5	10	100%
6	6	83%
7	1	100%
	Total: 83	

Figure 2: (Narrative Report Figure 5, p.18)

<p>Overall Graduation Rates and Business Growth:</p> <ul style="list-style-type: none"> • 75% of graduates experienced business growth • 36% of non graduates experienced business growth

Table 13: Business Growth Rates and Average Technical Assistance Hours (Narrative Report Table 11, p.26)

Business Growth Rate	TA Hours (SBC Consultations Only)	TA Hours (All TA except SBC Consultations)	Total TA Hours
0 (N=20)	9.21	6.1	15.8
1 (N=3)	6.08	5.6	11.7
2 (N=20)	9.9	6.3	16.2
3 (N=14)	7.7	9.3	17.0
4 (N=9)	10.1	8.4	19
5 (N=10)	14.5	10.6	25
6 (N=6)	13.7	14.8	28.5
7 (N=1)	5	6	12.6

Figure 3: Jobs Created by Active Businesses in Sample Group (Narrative Report Figure 7, p.25)

<p>Within 1.5 years 13 Businesses Created (6 of the businesses are in the success circle):</p> <ul style="list-style-type: none"> • 50 Full Time Positions: 48 from 1 business that went from start up to established within the study period (see Iris Jones Case Study) • 6 Part Time Positions • 14 Contract Positions • 28 Temporary Jobs

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PERSONAL INCOME OUTCOMES

Women's Initiative Poverty Guidelines are based on federal Department of Health and Human Services guidelines and are updated annually.

Definitions for Women's Initiative Income Statistics and Guidelines:

- Women's Initiative Income Statistics are based on federal Housing and Urban Development Department (HUD) median area income calculations for San Francisco county.
- Women's Initiative clients are screened for low income and below at entry as of FY1997--previously WI clients had moderate incomes and below.
- WI has adapted the HUD categories to better describe the categories:

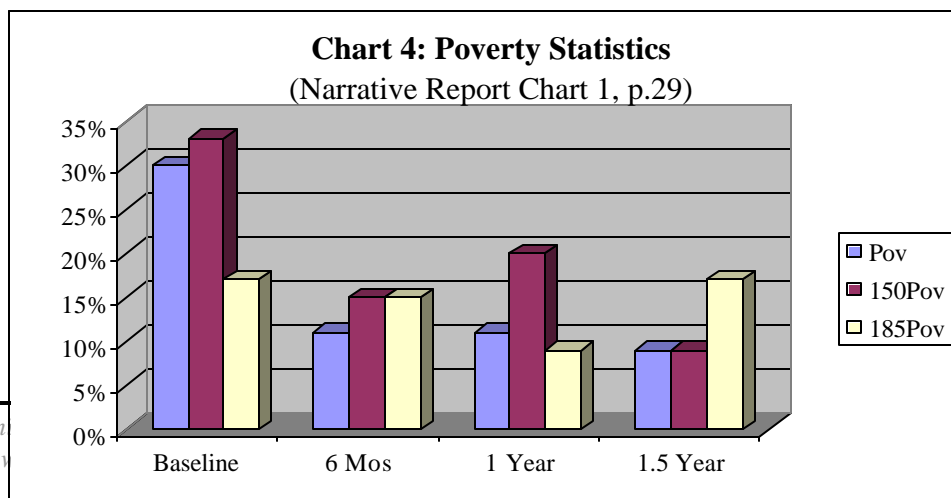
Figure 4: Women's Initiative Poverty Statistics Guidelines (Narrative Report Figure 4, p.10)

WI	HUD/MOCD	Value
Very Low	Extremely Low	30% of median area income
Low	Very Low	50% of median area income
Moderate	Low	80% of median area income
High	Moderate or Median Local Income	100% of median area income

Poverty Statistics

Table 14: Poverty Statistics (Narrative Report Table 15, p.28)

	N	Pov	150Pov	185Pov	Total
Baseline	86	30%	33%	17%	80%
6 Mos	66	11%	15%	15%	41%
1 Year	65	11%	20%	9%	40%
1.5 Year	35	9%	9%	17%	35%
% change		21%	24%	0%	45%

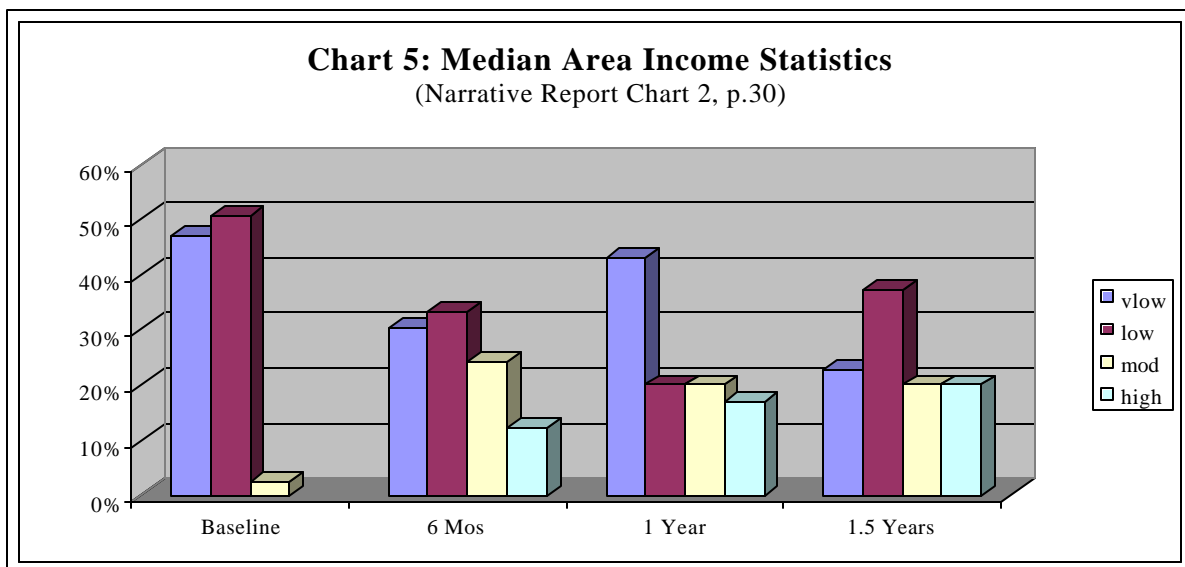


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Income Statistics

Table 15: Median Area Income Status Changes for Sample Group (Narrative Report Table 16, p.29)

WI Income Category	Baseline (N=83)	6 Mos. (N=66)	1 Year (N=65)	1.5 Years (N=35)
Very Low Income (30% of median)	47%	30%	43%	23%
Low Income (50% of median)	51%	33%	20%	37%
Moderate Income (80% of median)	2%	24%	20%	20%
High Income (100% of median)	0%	12%	17%	20%



Income Amounts and Sources

Table 16: Total Income Amounts (Narrative Report Tables 12 & 13, p.27)

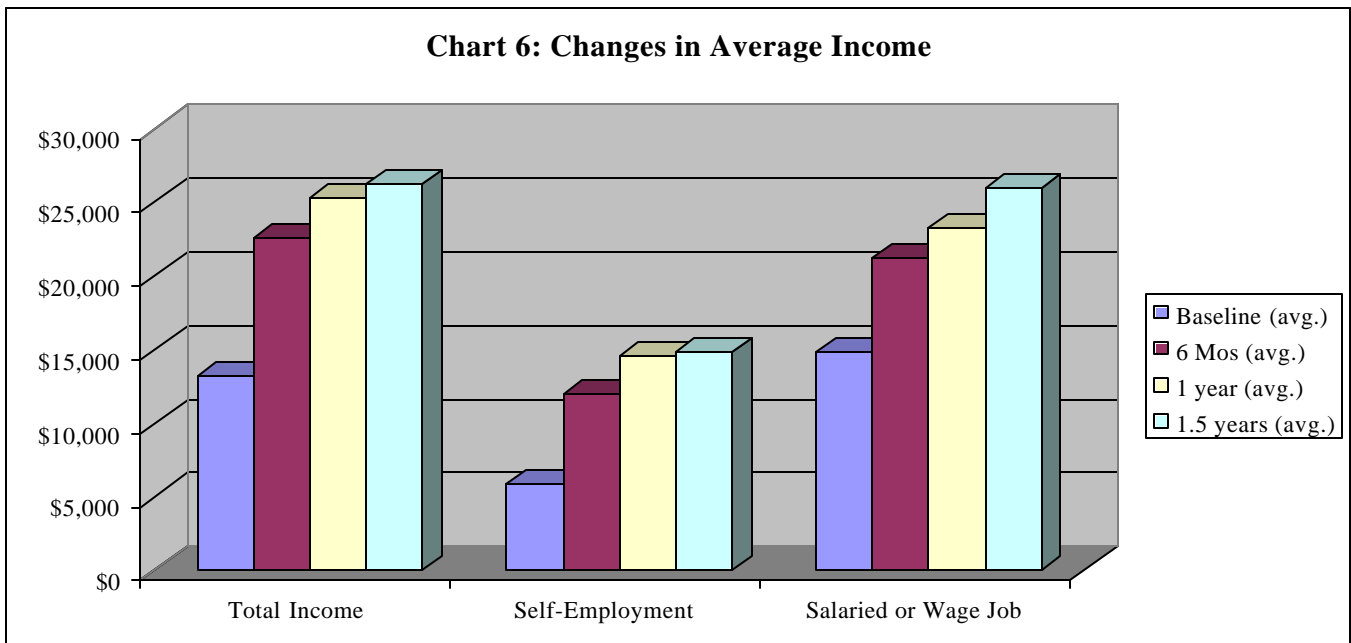
	Baseline (avg.)	6 Mos. (avg.)	1 year (avg.)	1.5 years (avg.)
Total Income	\$13,286	\$22,619	\$25,313	\$26,233
Self-Employment	\$5,924	\$11,986	\$14,590	\$14,910
Salaried or Wage Job	\$14,919	\$21,193	\$23,326	\$25,959

Table 17: Income Sources (Narrative Report Table 14, p.27)

	Baseline (N=83)	6 Mos. (N=66)	1 Year (N=65)	1.5 Year (N=35)
<i>% of Sample Receiving Income From:</i> ³				
Self-Employment	30%	43%	59%	50%
Salaried or Wage Job	41%	48%	49%	50%
Other (Investments, etc.)	10%	10%	6%	14%
Family and Friends	9%	12%	5%	10%

Table 18: Income Percentage Change

	Baseline – 6 Mos.	6 Mos. – 1 year	1 year – 1.5 years	Total Change (Average)
Total Income	70%	98%	42%	70%
Self-Employment	12%	27%	13%	17%
Salaried or Wage Job	4%	3%	13%	8%



³ Figures can be greater or less than 100 percent. Clients often “patch” together different sources of income and certain income categories were not included in the calculations.

PERSONAL DEVELOPMENT OUTCOMES

Case Study Analysis: Case Study Data Reduction

Following is an abridged summary of the case study coding results. Each number represents unduplicated responses out of the possible seven case studies. The full results including the count of multiple same code responses from each client and a selection of direct quotes illustrating the results is also available.

Table 19: Case Study Post-coding Count (Unduplicated Clients)

Category	Code	Unduplicated Number of Case Study Clients With Instances of Code
Background		
	Social class	
	Lower middle/working class	2
	Poverty	2
	Upper middle class	2
	Middle class	1

Challenges	What challenges do the clients face with their businesses and in their personal lives	
	Business	
	Finances/taxes	6
	Start-up	4
	Time management	4
	Expansion	3
	Personal/Emotional	7
	Other Jobs	4
	Physical	2

Client Characteristics	What characteristics are evident in the clients' responses	
	Adaptability	
	High	4
	Low	1
	Moderate risk-taking	
	High	5
	Low	1
	Optimism	
	High	7
	Low	3
	Personal responsibility	

	High	7
	Low	1
	Self-motivation	
	High	6
	Low	3
Influence	Who motivated the client to pursue self-employment	
	Grandmother	5
	Family	4
	Father	2
	Mentor	2
	Mother	2
	Friend	1
	Partner	1
Advice	Advice the client would give to other would be entrepreneurs	
	Business	
	Take initiative/pursue self-employment	6
	Industry specific	4
	Financial	1
Motivation	Why did the client choose or leave self-employment?	
	Pull - What attracted client to self-employment	
	Interest / Passion	6
	Contribution to community	5
	Better flexibility	4
	Independence	3
	Improved pay	3
	Better quality of life	2
	Push - What pushed client away from previous work	
	Little pay	4
	Management conflicts	3
	Lack of Interest / Passion	2
	Low quality of life	1
	Push-What pushed client away from self-employment	
	Lack of security	1
	Physically difficult	1
Success	What successes did the clients experience	
	Business	
	General	4
	Expanded	3
	Increased profits	3
	Stabilized	3

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	Personal	2
	Rewarded/Fulfilled/Happier	5
	Increased income	4
	Increased self-confidence	4
	General	2
Support	What support was available to the client	
	Children	
	Business	2
	Family	
	Emotional	6
	Financial	1
	Father	
	Emotional	2
	Friend	
	Emotional	1
	Industry peers	
	Business	3
	Emotional	1
	Job	
	Financial	2
	Mentor	
	Business	3
	Mother	
	Emotional	2
	Partner	
	Business	3
	Emotional	3
	Financial	2
	Self	
	Emotional	1
	Sibling	
	Emotional	2
	Society / Community (including public assistance)	
	Emotional	3
	Business	3
	Financial	1
	Spiritual/religious practice	1
	Women's Initiative	
	Business	3
	Emotional	2
	Financial	1
WI Training		
	Negative	
	General	2
	Curriculum	1
	Follow-up services	1
	PEP	1

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	Positive	
	General	7
	Financial assistance	6
	Curriculum	4
	Clarified business idea	3
	PEP	2
	Specific staff	2
	Suggestions	
	General	5
	Curriculum	4
	Follow-up services	2
	PEP	1

RESEARCH QUESTION 4: HOW DOES ACHIEVEMENT OF THESE OUTCOMES CORRELATE WITH THE CLIENT’S MOVEMENT TOWARD LONG-TERM ECONOMIC SELF-SUFFICIENCY OVER TIME?

Women's Initiative uses the Year 2000 California Self-Sufficiency Standard to analyze progress toward economic self-sufficiency. Self-sufficiency is measured by comparing total household income to the Year 2000 California Self-Sufficiency Standard for the San Francisco Bay Area. This standard calculates the amount of money working adults need to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard (HHS) or the median income guidelines (HUD), this standard breaks new ground by taking into account the costs of living as they vary by family type (number of adults and number and ages of children) and county. The calculation includes local housing, childcare, food, transportation, medical care, clothing and miscellaneous costs, as well as taxes and tax credits. For purposes of comparison, the self-sufficiency standard income levels fall at approximately 90 percent of the HUD median area income level (“moderate income”) for a family of two adults in San Francisco county.

Figure 5: Welfare to Work Summary

Temporary Aid for Needy Families (TANF) cash recipients:	
•	14% of respondents (83) receive TANF benefits at entry
•	6% at 6 months
•	6% at 1 year
•	2% at 1.5 years

Table 20: Self-Sufficiency Summary (Narrative Report Table 17, p.42)

Self-Sufficiency	Baseline	6 Mos.	1 year	1.5 year
<i>Count (N=83)</i>				
Self-sufficient (Personal income w/o public benefits)	7	21	25	16
Self-sufficient (Personal income from self-employment)	0	3	5	5
<i>Percentage (N=83)</i>				
Self-sufficient (Personal income w/o public benefits)	8%	32%	38%	46%
Self-sufficient (Personal income from self-employment)	0%	5%	8%	14%

Table 21: Sources of Income used to Attain Self-Sufficiency (Narrative Report Table 19, p.44)

	6 Mos. (N=21)	1 year (N=25)	1.5 years (N=16)	3 Surveys Combined (N=39)
Self-Employment Alone	14%	16%	31%	20%
Salaried or Wage Job Alone	52%	48%	38%	46%
“Patching” of two or more sources	35%	32%	32%	34%

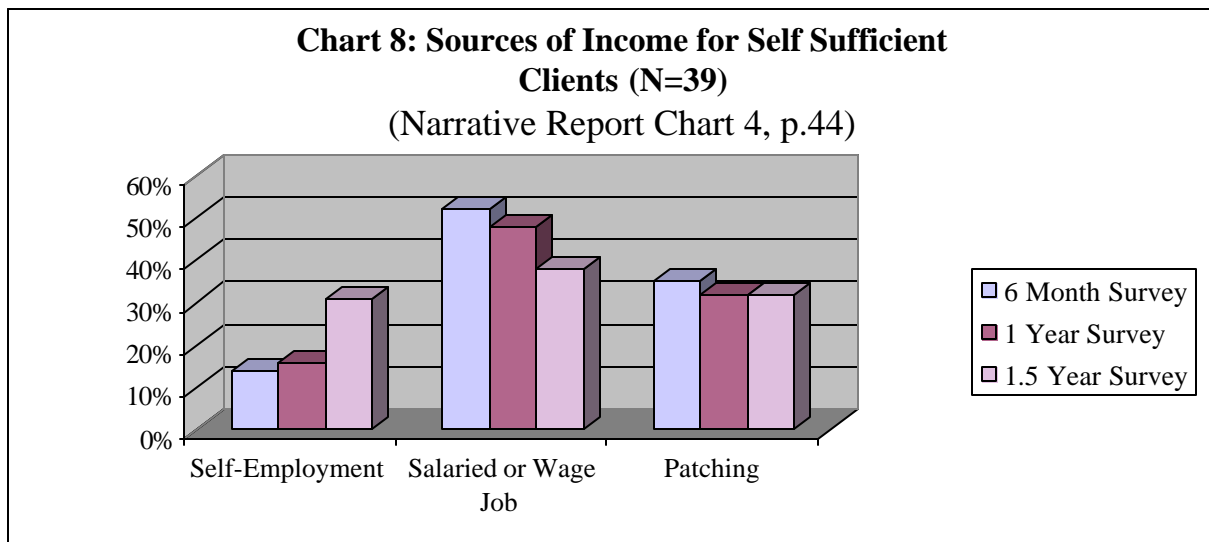
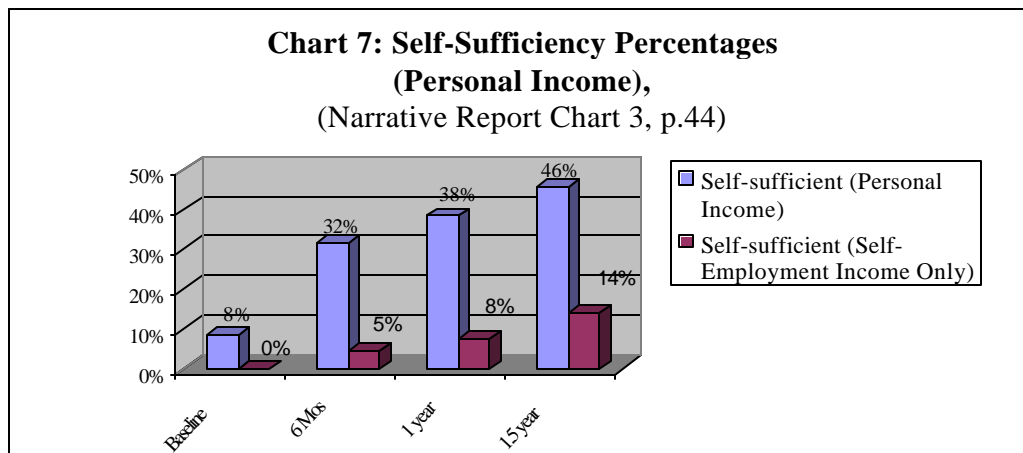
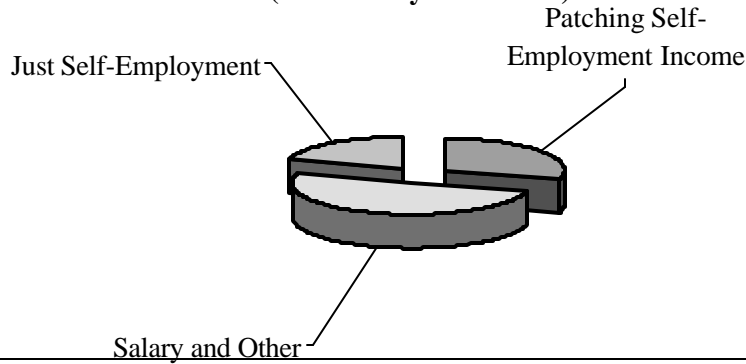


Table 22: “Patching” Income Sources by Clients who Attained Self-Sufficiency

% of clients who attained self-sufficiency from patching together the following sources:	6 Mos. N=66	1 year N=65	1.5 years N=35	3 Surveys Combined N=83
Salary and Self-Employment Income	10%	24%	13%	16%
Salary, Self-Employment Income and Other	10%	4%	0%	4%
Self-Employment Income and Other	5%	4%	13%	9%
Salary and Other	10%	0%	6%	5%
Salary Only	52%	48%	38%	46%
Self-Employment Income Only	14%	16%	31%	20%

**Chart 9: Sources of Income for Self-Sufficient Clients
(All 3 surveys combined)**



**Chart 10: Sources of Income for Self-Sufficient Clients Detail
(All 3 surveys combined)**

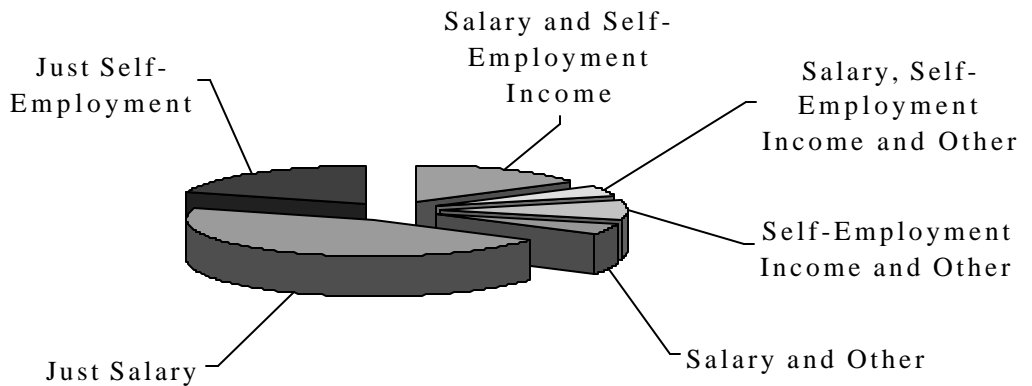


Table 23: Income Breakdown of Clients who attained Self-Sufficiency*:

	6 Mos.	1 year	1.5 years	3 Surveys Combined
Percentage of Self-Sufficiency Income from Salaried or Wage Job				
average	102%	99%	72%	91%
median	120%	112%	104%	112%
min	0%	0%	0%	0%
max	246%	190%	190%	209%
Percentage of Self-Sufficiency Income from Self-Employment				
Average	27%	81%	57%	55%
Median	0%	4%	16%	7%
Minimum	0%	0%	0%	0%
Maximum	131%	684%	253%	356%
Percentage of Self-Sufficiency Income from Family and Friends				
Average	3%	1%	3%	2%
Median	0%	0%	0%	0%
Minimum	0%	0%	0%	0%
Maximum	42%	27%	43%	37%
Percentage of Self-Sufficiency Income from Other (Real Estate, etc.)				
Average	10%	1%	8%	6%
Median	0%	0%	0%	0%
Min	0%	0%	0%	0%
Max	109%	8%	125%	81%

* This number can be greater than 100%. For example, a client may receive a 100 percent of her self-sufficiency income from self-employment, yet she may also receive additional income from a salaried or wage job.

SELF-SUFFICIENCY IN-DEPTH TRENDS

Out of the 7 clients who were self-sufficient at Baseline:

- All 7 were self-sufficient from Personal income w/o benefits and were not self-sufficient due to income from self-employment;
- 3 stayed self-sufficient (Personal income w/o public benefits) throughout 1.5 years (did not achieve self-sufficiency from self-employment alone)
- 2 did not stay self-sufficient (from personal income w/o public benefits) and did not achieve self-sufficiency from self-employment
- 1 stayed self-sufficient (Personal income w/o public benefits) throughout survey, gained self-sufficiency due to self-employment income at 1 year, but did not stay self-sufficient from self-employment at 1.5 years.

- 1 stayed self-sufficient (Personal income w/o public benefits) throughout survey, and gained self-sufficiency from self-employment income and stayed self-sufficient (in both) for 1.5 years

Out of the 21 clients who were self-sufficient at 6 Mos.:

- 15 newly reached self-sufficiency (Personal income w/o public benefits) and 2 reached self-sufficiency from both self-employment income and personal income w/o public benefits)
- Out of the 15 clients who newly reached self-sufficiency through personal income without benefits at 6 mos.:
 - 3 were not interviewed again
 - 5 stayed self-sufficient at 1 year (but were not interviewed at 1.5 years)
 - 1 stayed self-sufficient at 1.5 years (but was not interviewed at 1 yr.)
 - 2 stayed self-sufficient at 1 year and 1.5 years
 - 1 stayed self-sufficient at 1 year, but not at 1.5 years
 - 1 did not attain self-sufficiency again at 1 year (and was not interviewed at 1.5 years)
 - 1 did not attain self-sufficiency again at 1.5 years (and was not interviewed at 1 year)
 - 1 did not attain self-sufficiency again at 1 year or 1.5 years (and was interviewed for both)
- Out of the 2 clients who attained self-sufficiency from self-employment income and personal income w/o public benefits,
 - 1 stayed self-sufficient from both at 1.5 years (but was not interviewed at 1 year)
 - 1 was not interviewed again

Out of the 25 clients who were self-sufficient at 1 year:

- 12 newly attained self-sufficiency
 - 9 clients attained self-sufficiency from personal income w/o public benefits
 - 3 clients attained self-sufficiency from just self-employment income and also gained self-sufficiency from personal income w/o public benefits.
- Out of the 9 clients who attained self-sufficiency from personal income w/o public benefits,
 - 6 were not surveyed again at 1.5 years
 - 2 stayed self-sufficient from personal income w/o public benefits at 1.5 years
 - 1 did not stay self-sufficient at 1.5 years
- Out of the 3 clients who gained self-sufficiency from self-employment income alone, and gained self-sufficiency from personal income w/o public benefits,
 - 2 were not interviewed again
 - 1 did not stay self-sufficient (either from self-employment income or personal income) at 1.5 years

Out of the 16 client who were self-sufficient at 1.5 years:

- 4 newly attained self-sufficiency
- 1 gained self-sufficiency from personal income w/o public benefits

- 3 gained self-sufficiency from self-employment income and personal income w/o public benefits, separately

RESEARCH QUESTION 5: WHAT ARE THE CHARACTERISTICS OF THOSE WHO SUCCEEDED?

SUCCESS CIRCLE ANALYSIS

Table 24: Success Circle Details (Narrative Report Table 20, p.47)

SUCCESS CIRCLE	Count	Percentage (of sample)	Percentage (of Success Circle)
Clients who attained self-sufficiency and had business growth > 3	21	27%	N/A
Clients who attained self-sufficiency (from self-employment alone) and had a business growth rate >3	8	10%	38%

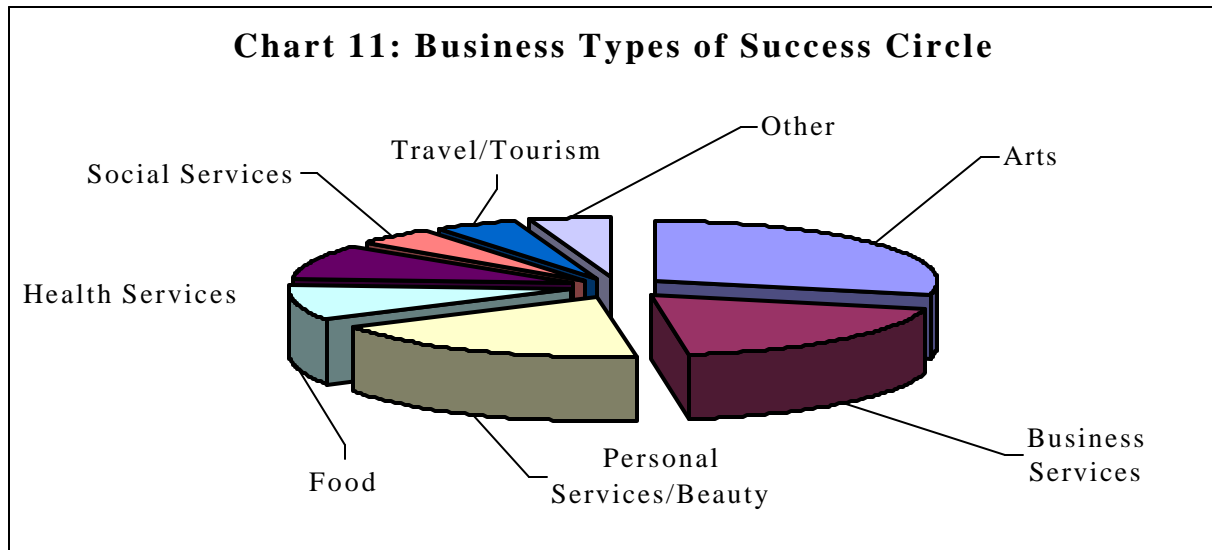


Table 25: Success Circle/Non Success Group Business Types (Narrative Report Table 25, p.50)

<i>Business Type</i>	<i>% of Clients in Success Circle with specific business type</i>	<i>% of Clients in Non-Success Group with specific business type</i>
Arts	28.5%	17%
Business Services	19.0%	7%
Child Care	0	5%
Cleaning Services	0	2%
Personal Services/Beauty	19.0%	12%
Food	9.5%	12%
Health Services	9.5%	12%

Social Services	4.7%	0
Travel/Tourism	4.7%	2%
Other	4.7%	18%

Table 26: Top Five Skills Used by the Success Circle (Narrative Report Table 21, p.49)
(scale of 1-5, 1 = strongly disagree and 5 = strongly agree)

6 Mos.	1 Year	1.5 Year	Total Average
Records (4.53)	Target Market (4.42)	Business Vision (4.7)	Record Keeping (4.43)
Business Vision (4.53)	Records (4.78)	Records (4.5)	Business Vision (4.38)
Target Market (4.4)	Pricing (4.17)	Breakeven Analysis (4.48)	Target Market (4.44)
Pricing (4.17)	Competition (4.08)	Target Market (4.3)	Pricing (4.23)
Breakeven Analysis (4.0)	Breakeven Analysis (4.0)	Pricing (4.2)	Breakeven Analysis (4.19)

Table 27: Top Five Skills Used by the Non-Success Circle (Narrative Report Table 22, p.49)
(scale of 1-5, 1 = strongly disagree and 5 = strongly agree)

6 Mos.	1 Year	1.5 Years	Total
Business Vision (4.67)	Target Marketing (4.5)	Target Marketing (4.36)	Business Vision (4.46)
Breakeven Analysis (4.28)	Cash Flow (4.36)	Records (4.24)	Breakeven Analysis (4.31)
Target Marketing (4.17)	Financial Statements (4.36)	Business Vision (4.21)	Target Marketing (4.29)
Procedures (4.00)	Marketing (4.12)	Competition (4.21)	Competition (4.12)
Competition (4.0)	Records (4.03)	Funding (4.21)	Record Keeping (4.08)

Table 28: Five Least Used Skills by the Success Circle (Narrative Report Table 23, p.49)
(scale of 1-5, 1 = strongly disagree and 5 = strongly agree)

6 Mos.	1 Year	1.5 Year	Total
Budget (3.77)	Production (3.58)	Funding (3.6)	Production (3.48)
Production (3.47)	Cash Flow (3.29)	Budget (3.5)	Budget (3.4)
Cash Flow (3.06)	Budget (3.25)	Production (3.4)	Funding (3.21)
Funding (2.93)	Funding (3.08)	Financial Statements (3.0)	Cash Flow (3.04)
Financial Statements (2.9)	Financial Statements (2.71)	Cash Flow (2.77)	Financial Statements (2.87)

Table 29: Five Least Used Skills by the Non-Success Circle (Narrative Report Table 24, p.49)
(scale of 1-5, 1 = strongly disagree and 5 = strongly agree)

6 Mos.	1 Year	1.5 Year	Total
Funding (3.74)	Sales Technical Analysis (3.56)	Cash Flow (3.74)	Marketing (3.65)
Marketing (3.64)	Budget (3.55)	Marketing (3.7)	Budget (3.60)
Sales Technical Analysis (3.45)	Funding (3.53)	Budget (3.4)	Financial Statements (3.55)

Cash Flow (3.17)	Production (3.42)	Financial Statements (3.31)	Cash Flow (3.44)
Production (2.73)	Business Vision (3.07)	Production (3.07)	Production (2.96)

Table 30: Success Circle Business Finances (Narrative Report Table 26, p.51)

	<i>Baseline</i>	<i>6 Months</i>	<i>1 Year</i>	<i>1.5 Years</i>
Profit (Prior Year)				
Average	\$7,539	\$13,272	\$14,933	\$35,556
Median	\$6000	\$13,200	\$13,000	\$12,000
Profit (Average Month)				
Average	\$881	\$1,255	\$1207	\$3162
Median	\$608	\$1100	\$1084	\$2000
Sales (Prior Year)				
Average	\$14,832	\$26,463	\$23,938	\$73,549
Median	\$11,267	\$26,800	\$30,000	\$22,800
Sales (Prior Month)				
Average	\$1,387	\$2,245	\$2245	\$6,545
Median	\$1,400	\$1300	\$2500	\$2,750
Client Draw (Per Year)				
Average	\$10,898	\$14,318	\$15,379	\$24,694
Median	\$8,580	\$16,800	\$13,996	\$29,400

Table 31: Success Circle Business Profit (Narrative Report Table 27, p.51)

	# of Success Circle Clients with Business Profit	% of Success Circle Clients with Business Profit
Baseline	12 out of 22	55%
6 Months	14 out of 19	74%
1 Year	11 out of 14	79%
1.5 Years	8 out of 10	80%

Table 32: Success Circle Business Draw (Narrative Report Table 28, p.51)

	# of Success Circle Clients with a Profit who take a Business Draw	% of Success Circle Clients with a Profit who take a Business Draw
Baseline	10 out of 12	83%
6 Months	13 out of 14	93%
1 Year	11 out of 11	100%
1.5 Years	8 out of 8	100%

Table 33: Demographics (Success Circle vs. Non-Success Circle)

Characteristic	Success Circle (n=22)	Non Success Circle (n=61)
<i>Ethnicity</i>		
Caucasian	45 %	47.6 %
African-American	37%	28.6%
Asian Pacific Islander	8%	9.5%
Latina	5%	9.5%
Other	5%	4.8%
<i>Income Levels (at baseline)</i>		
Extremely Low (30% median)	36%	47%
Very Low (50% median)	59%	51%
Low (80% median)	4.5%	2%
<i>Disability?</i>		
Yes	14 %	24 %
<i>Educational Level</i>		
Some High School	10 %	4 %
High School Graduate	5%	13%
Vocational/Technical Certificate	19%	50%
Some College/AA Degree	38%	12%
Undergraduate Degree	24%	21%
Post-Graduate Coursework or Graduate Degree	5%	0
Other	0	0
# of Years in School	16.6 years	16.02 years
<i>Training</i>		
Had Relevant Training	81 %	79 %
# Years Relevant Training	4.3 years	3.80 years
<i>Experience</i>		
Had Relevant Experience	17.6 %	19.8 %
# of Years Relevant Experience	9.7 years	7.4 years
<i>Anyone in Family Own a Business?</i>		
Yes	52 %	40 %

<i>Previously Owned a Business?</i>		
Yes	29 %	31 %
<i>Business Status (at baseline)</i>		
Pre Start Ups	4 (18%)	37 (61%)
Start Ups	8 (36%)	6 (10%)
Existing	10 (45%)	18 (30%)
<i>Marital Status</i>		
Never Married	83 %	51 %
Separated	0	6%
Divorced	11%	34%
Married	6%	9%
<i>Single Parent?</i>		
Yes	14 %	29 %

SUCCESS/NOT SUCCESS CASE STUDY ANALYSIS

Responses to Selected Codes for 7 Case Study Respondents-Unduplicated Clients Succeeding in business vs. Not Succeeding in business

“Succeeding in business” is defined as those clients who have an active business who are earning income on a regular basis from their business. “Not Succeeding in business” is defined as those clients who are still in the pre-start up phase (planning a business), those who have a business that is not yet profitable, those who decided not to start a business, and those who closed their business.

There were four case study clients in the “Succeeding in business” group. These included three Women’s Initiative core training graduates, and one person who did not complete the training due to a move to another town. The group was made up of two clients who had existing businesses on entry to the Women’s Initiative core training, and two clients who started businesses during or after core training.

There were three case study clients in the Not Succeeding in business” group, all of whom were Women’s Initiative core training graduates. The group was made up of one client with a business that is not yet profitable, one client who decided not to start a business, and one client who is still planning to start a business. One case study client was moved from the "Not Succeeding" to the “Succeeding” group after the second interview (at 18 months post core training). For the purpose of the case study analysis she was counted in the “Succeeding” group. This client started a business during Women’s Initiative training, closed her business within a year after training, and started another profitable business within 18 months post core training.

Table 34: Case Study Post-coding Count (Succeeding vs. Not Succeeding)

Category	Code / Sub-code	SUCCEEDING Unduplicated Number of Case Study Clients With Instances of Code <i>Out of 4 clients in the group</i>	NOT SUCCEEDING Unduplicated Number of Case Study Clients With Instances of Code <i>Out of 3 clients in the group</i>
Advice	Advice the client would give to other would be entrepreneurs		
	Business		
	Take initiative	3	3
	Financial	1	0
	Industry specific	2	1
	Personal	2	0
Background			
	Social class		
	Lower middle/working class	1	1
	Poverty	1	1
	Upper middle class	0	1
	Middle class	1	1
Challenges	What challenges do the clients face with their businesses and in their personal lives		
	Business		
	Finances/taxes	4	3
	Start-up	3	3
	Time management	3	1
	Expansion	3	0

	Personal/Emotional	3	3
	Other Jobs	3	2
	Physical	1	1
Client Characteristics	What characteristics are evident in the clients' responses		
	Adaptability		
	High	3	1
	Low	0	1
	Moderate risk-taking		
	High	4	0
	Low	0	2
	Optimism		
	High	4	3
	Low	1	3
	Personal responsibility		
	High	4	3
	Low	0	1
	Self-motivation		
	High	4	1
	Low	2	1
Future Goals	What goals did the client talk about		
	Business	4	3
	Financial goals	1	1
	Service/product goals	4	2
	Education	1	0
	Family	1	1
	Other jobs	0	1
	Personal	2	1
Influence	Who motivated the client to pursue self-employment		
	Grandmother	3	1
	Family	2	2
	Father	1	0
	Mentor	0	2
	Mother	2	0
	Friend	0	0
	Partner	1	0
Motivation	Why did the client choose self-employment?		
	Pull - What attracted client to self-employment		
	Interest / Passion	3	3
	Contribution to community	4	1
	Better flexibility	2	2
	Independence	2	2
	Improved pay	2	0
	Better quality of life	2	1
	Push - What pushed client away from previous work		
	Little pay	3	1
	Management conflicts in a job	3	1
	Lack of Interest / Passion in a job	2	0

Women's Initiative for Self Employment
This report was prepared with funding from FIELD

	Low quality of life	1	0
	Push-What pushed client away from starting a business		
	Lack of security	0	1
	Physical Difficulties	1 (successful with another business within 6 moths)	0
Success	What successes did the clients experience		
	Business		
	General	3	1
	Expanded	3	0
	Increased profits	2	1
	Stabilized	2	1
	Personal		
	Rewarded/Fulfilled/Happier	4	1
	Increased income	4	0
	Increased self-confidence	3	0
	General		
Support	What support was available to the client		
	Children	1	1
	Family	4	1
	Father	2	0
	Friend	1	0
	Industry peers	2	1
	Job	1	0
	Mentor	1	1
	Mother	1	0
	Partner (personal)	3	0
	Self	1	0
	Sibling	1	1
	Society / Community (including public assistance)	4	1
	Spiritual/religious practice	1	0
	Women's Initiative	3	0
WI Training			
	Negative	2	2
	Positive	4	3
	Suggestions	4	1

APPENDIX B- CASE STUDY NARRATIVES

Introduction

The goal of the Women's Initiative outcome evaluation case studies was to complement the follow up survey information to provide a more comprehensive picture of the factors influencing microenterprise success. We assumed that Women's Initiative training is only one factor among many that influence our clients' decisions about how and when to pursue self-employment and whether business success is achieved. We conducted the case studies in order to illuminate the following about WI clients: personal background, motivation and development, as well as the role clients assigned to Women's Initiative services in their business development process.

Eight Women's Initiative clients were selected for in-depth case study interviews. An equal number of clients were chosen in each of the following two categories of business outcomes:

- A) Business Success
 - ◆ Client has an existing business.
 - ◆ The business is producing a profit after monthly operating expenses and taxes and before owner draw (does not include recovery of initial start-up costs).
- B) Lack of Business Success
 - ◆ Client has a business that is not producing a profit (see definition above).
 - ◆ Client closed their business.
 - ◆ Client never started a business.

Preliminary interviews of one and a half to two hours were conducted in person with seven clients¹ one year after the end of the core training session they had attended. A second follow-up interview of one hour was conducted at one and a half years post training with four of the seven clients.² The same questions were asked of each interviewee. After transcribing the case study interviews, a coding system was developed to sort and quantify the responses for retrieval and analysis. The coding system was based on an emergent research methodology: rather than assuming that clients would talk about certain topics and developing codes or questions based on our assumptions, we developed the codes based on what the clients actually said. Each instance of each code was recorded in the transcripts and tabulated in a table (not included here). The results of this analysis are included in the Final Outcome Evaluation Project report.

What follow here are the narrative stories of seven clients' experiences with business development. The first three case studies are the clear business success stories: Iris Jones, Robyn Cleaves and Leatha Jones. The next two, Jane Doe and Kathleen Flannigan, are stories of entrepreneurs overcoming major challenges to achieve business growth. The final two, Wanda Williams and Melissa Scott, are women who have not yet started a business. Through their stories and insights we are able to better understand that success has many definitions and that clients follow many different paths to attain success on their own terms.

¹ As a result of mechanical failure of the tape recorder, one case study interview was not included in the analysis.

² The other three update interviews will be conducted during winter 2002.

Women's Initiative

For Self Employment

Case Study

Iris Jones³

Bay Area Property Management

One Year after Graduation

Bay Area Property Management is a San Francisco-based company that manages residential and commercial properties for the property owners. The company's brochure states that the firm offers "personal and effective services to fit their special needs... we supply residents with a pleasant safe environment to live, while providing owners with professional, creditable renters... a complete residential management service at a reasonable competitive fee." Available services include management plans, bookkeeping, marketing and leasing, tenant administration, maintenance staffing and employee relations.

At the helm of all these activities is Iris Jones, a 32-year-old, African-American mother of one and 1999 graduate of Women's Initiative core training. She has led her company to grow an astounding 547% since she attended the *Managing Your Small Business* workshop taught by Women's Initiative. Profits have soared from approximately \$240 per month when she first founded the business, to \$8,000 per month two years later. Iris has progressed from managing five houses on her own to managing twenty-four properties with thirteen employees. Her personal income has doubled, going from about \$12,000 to \$24,000 annually. Most entrepreneurs can only dream of such a meteoric increase.

³ For reasons of client confidentiality the names of the individual and business are pseudonyms in this case study.

A San Francisco native, Iris lived in the South of Market area as a young child before moving to the Bayview/Hunter's Point district, a predominately low-income African-American community, when she was seven. She was primarily raised by her mother, a supervisor at Pacific Bell, and her grandmother, who lived with them. Although she did not live with him, her father had a profound influence on her life. He encouraged Iris to pursue her artistic interests, and enrolled her in modeling and African dance classes. As an independent designer of fashion sportswear and furniture, he also showed Iris that self-employment could be possible:

My dad ... well I owe a lot to my dad ... My dad is a free spirit, and he was always self-employed. I've never known him to not be self-employed ... my dad is one big inspiration to me as far as being self-employed, and really feeling like I can do whatever I want to do within this lifetime, within reason, as long as its legal. He really instilled those qualities in me from very young.

Hoping for financial stability for Iris, both her mother and grandmother encouraged her to pursue a career in business and enrolled her in typing classes beginning in middle school. One of her first jobs, while she was still in high school, was as a typist in a Bank of America office. When Iris was a senior in high school, Bank of America gave her a scholarship for college. She attended Heald Business College, and then San Francisco State, where she majored in Business Administration and minored in Theater. In college, Iris's initiative led her to start a fashion magazine and a business training fashion models. During school Iris also worked at a law office in Oakland as a legal assistant: completing court filings, typing and word processing.

Once she graduated in 1990, she was placed by a temporary employment agency at a property management company as an administrative assistant. This was Iris's first experience in the property management field, and she was attracted to the potential for financial reward:

I happened to get a job with a property management company and really was intrigued by the corporate atmosphere and all of the money that was floating around ... My interest was piqued from working with property management.

After working there for a few years, she was offered a position with ACORN housing, a public housing project that was relocating tenants during renovations of public housing units. Iris coordinated a grant program that assisted low-income residents to buy their own homes. She took clients through the loan process and helped them to secure housing:

I did the loan processing for them, and I did all the documentation through HUD and submitted all of the paperwork, so they could get \$30,000 toward their house.

In addition to that, I was also a credit counselor, so I helped them improve their credit. It was an entire program that they had to go through with me. I ... gave them a contract ... and they were funded. Then they moved into their homes. We also helped find them homes, which were within their price range.

Once all the residents were relocated, she worked for a short time at a property management staffing company, and then was hired by a nation-wide property management company. The company sponsored her training through the Anthony School of Real Estate, after which she was given responsibility for three complexes of low-income affordable housing.

Although Iris found work at the company satisfying, the management and bureaucracy frustrated her. She began to notice that funds were being misappropriated on a HUD sponsored project, and while her co-workers, keen to protect their jobs and livelihoods, said nothing, she found she could not be complicit:

One unfortunate circumstance was that a lot of their properties were affordable housing under HUD ... and a couple of the projects that I was managing, had some—I don't know if I can say it or not—illegal practices going on, under HUD. And I was very unhappy with that. I challenged the company, as big as they are. I wrote letters to the President. It was a really big situation. I took pictures of some properties with holes in the walls and rodents, and they were living just terribly—I just couldn't imagine. I knew what type of money was coming in because I looked at the financial documents—I was the property manager—so I asked them, to make some improvements. They didn't want to do that—they actually attacked me and tried to get rid of me. It was a big legal situation actually.

She received a small legal settlement as compensation for being forced out of the company.

Since her college days Iris knew she wanted her own business and in property management, she knew she had found her niche. Now she had the start-up capital she needed to get started in business:

I've always wanted my own business, it's just something I knew I would do. I started off with a fashion magazine, then I did some credit counseling. I've worked my way up to owning my own business eventually. I just didn't know what my niche would be. I needed to find a career that would definitely support me financially, so real estate was definitely the way to go for me.

In addition to her father as an inspiration, she was attracted to self-employment because of the financial successes of a previous boyfriend. That, along with the independence and flexibility, compelled Iris to start her own company:

I was dating a guy ... who was a realtor. He also inspired me to look into real estate. He was making lots of nice bonus checks and commission checks, and ... he was driving a BMW. That looked good to me, so I decided to check it out. Being my own boss, creating my own structured environment and not having to live by someone else's standards and procedures, I wanted these things. I wanted to come and go as I please. I wanted to make all decisions. I wanted to be the leader. I want to make money and I don't want a cap. I don't want a limit on the money that I can make, just unlimited income. That was what I was looking for.

She began by managing five residential properties from her small home office, equipped with a desk, computer and file cabinet, all purchased from her personal savings. In the beginning, however, her business was stagnant because she lacked the skills and business acumen to attract new clients:

... I was at a standpoint, being home and not knowing what to do ... how to get more clients. I didn't know how to do the books and didn't know how to do it. I was watching Jerry Springer most of my days and had five houses bringing in \$240 a month. I was like, "this is not going to work." My savings was just going and going, and it was only a small amount, \$6,000, that I started with.

Iris supplemented her earnings by renting desk space at a real estate office and offering to conduct rental searches. After a year, however, she had only managed to attract one more client.

At this point, she read about Women's Initiative in a flyer at a local fair. She decided to enroll in the *Managing Your Small Business* class (Women's Initiative core training), a move which proved to be key to helping her understand and develop her business:

Managing Your Small Business—that was wonderful! [The instructors] were really good. We started off with the basics, and I applied every single thing that I learned from WISE to my business. Really, I did ... and it worked. It all worked. Just two weeks after I started the class, I had a big—really big—82 unit building in Antioch. From there it just took off ... and it was just me. I was working by myself at that particular time. Because I had such a large building, I had to hire another assistant, so Lori and Colleen [the WI small business consultants] helped me to get the employment guides down, what was required to hire an employee and the whole bit. So, they took me through that, and I hired my first employee ... while I was in class. Pretty much I worked with Lori and Colleen, you know, after that point. I did the counseling sessions ... I went to every single class—I don't think I ever missed a class. I was there the whole time. What was really helpful to me was the profit and loss statement and balance sheets and preparation of that. I didn't know anything about that.

Iris still attends consulting sessions with her small business counselor for further support. She was also the recent recipient of a \$10,000 loan from Women's Initiative, which she used to open her own office. Although Iris had a poor credit history, which made it difficult for her to obtain capital from a commercial bank, she worked with Women's Initiative staff to clean up her credit and secure the loan, which she is successfully repaying. She credits Women's Initiative for Self Employment for much of her success:

Before WISE, I was really dead, really scared to go out and challenge the market. Although in my mind I wanted my own business, my own independence and I wanted to make my own money, [it's] very tough without the support. Once I was introduced to WISE, and the support was there, it encouraged me to do more for myself. Just knowing that support is there, you think of the telephone and support is there. It's enough to make me want to move forward. I don't feel alone; I don't feel like I'm all by myself and I can't do it. I really commend WISE on providing the support and being there for women that are in business, because it's very tough.

Currently, Iris's business primarily services apartment buildings, offering complete servicing: from renting to remodeling to bookkeeping. Iris herself manages all aspects of the business, including supervising her thirteen employees, ensuring that units are filled to capacity, and handling reporting and payment of bills. Her major challenges are to manage her business growth and expansion, including financing, and to hire and retain good employees. Despite the long hours juggling many tasks and the intensity of her work, she has found that she loves owning her own business:

The beauty of having your own business is if you want to take off at 12 o'clock, 1 o'clock—I've had enough, I'm leaving for the day! I can actually do that. But I don't do it often! I work about ten to, fifteen hour per day on average. It's a lot of work, so I'm looking forward to some relief and support to help run it. At this point it's moving really fast, and I'm trying to make sure that I can keep up and have my hands on it, have control over it and have the right resources, to, you know, make sure that it's running properly.

In the future, Iris would like to purchase and manage property of her own throughout California. "Three new locations in the next five years," she says confidently. Personally, she would like to maintain a healthy family with her 12-year-old son and her partner, and perhaps add to her family by adopting a girl in the next few years. She has already created tremendous possibilities for herself, and at the rate that she is progressing, many more will open up in the future.

One and a Half Years after Graduation

“At this point it's moving really fast, and I'm trying to make sure that I can keep up and have my hands on it, have control over it, and have the right resources to make sure that it's running properly,” were Iris Jones' words one year after graduating from Women's Initiative core training. The challenges that come with rapid business growth continue to confront Iris six months later. These challenges include knowing when to hire new employees, when to rent more office space, when to use loans and lines of credit—generally knowing when is the right time to expand. While new clients would be a dream come true for many microentrepreneurs, as Iris says, “It's very tough when someone calls and they have business, and it's like, ok, I have a new business, and I can use more business, and you have to decide, you know, is it feasible for you to take them on.”

But along with the challenges of success, Iris also enjoys the benefits of a higher income: “Looking at my weekly reports and the new clients that are coming aboard makes me feel successful because it's growing. It's just evidence that it's growing. When I look at my figures from week to week, it's right there on the page. [...] I'm definitely feeling the impact of a growing business and more money coming in and sitting in the bank. If I want to go buy a pair of shoes—it used to be hard for me.”

With the year's annual gross sales at over \$360,000, and the year's annual profit at \$168,000, Iris certainly has something to be proud of. These figures are more than triple the amounts from the previous year and her meteoric growth hasn't seen its peak yet. Her responsibilities have grown too—she now employs over thirty people, up from sixteen the year before. Iris *is* proud of her success:

...The most exciting thing for me this year in the year 2000—I'm jumping for joy—is that, last year my gross sales were at seventy I think, this year, it's going to be just a little bit over three-hundred thousand. I just feel like in 2001 I want to go and share with everyone! Let me tell you how to do it! I'm very excited about 2001. I'm preparing my projections now for 2001.

Her success has not come without a price, however. Even with careful planning, being responsible for such a large payroll was not easy. Iris turned to a factoring company (which takes over invoices for a fee) to ensure she received payment in time to meet payroll:

The first part of the year I was pulling my hair out, losing sleep trying to meet payrolls. There were some really tough times between January and April. Really tough! I believe in February or March I even had to pawn some jewelry in order to meet my payroll. It was really tough, but it's been months since I've had to deal with payroll issues.

Iris's plans for her business have also changed over the last six months. Now that the tough times of establishing the business are over, she can take a step back and plan for the future. The first change has been to move her main office from downtown Oakland to Pleasant Hill, a more affluent city with a better market for her services:

The energy in Oakland just didn't work well. I found myself dealing with a lot of issues. You have to go to a high-end area of the business, where they're doing more developments, and where the money and the prestige are. Here I am. The day that I arrived here, that first week that we were here, we got a new contract everyday for the first week.

After analyzing her profit margin for different services, Iris changed the blend of services she offers, shifting from a mix of single-family dwellings and multi-unit buildings to almost exclusively multi-unit buildings. Another service that has proven lucrative is staffing, which she has started offering to more clients: "It's very similar to a personnel agency where they call us, they need a maintenance tech—maybe they need someone for three months or three weeks—temporary or permanent, we'll send them someone." As well as the revenue it generates, Iris likes this area of her business because it affords her the opportunity to help others:

We're helping to build careers. I'd like to partner—have some creative partnerships—with some management colleges to recruit some of their graduates and to sponsor some of their training courses. I'm working on a campaign to work with some property management colleges and some other colleges that may offer maintenance training or leasing training, to sponsor some of those workshops and to offer maybe a percentage. I'll help some of the employees pay for their school and they have to come work for me, so right now I'm working out some of those relationships. I haven't come across a lot of companies that are creating partnerships with other companies, and I feel that it's important that we all work together. It's not only for myself and to get my business, but it's also as outreach to help others that want to enhance their career in real estate management, or they're interested in coming into the field—making a career change. I'd like to be a support service for that. We're going to help kids with their training, and then we're going to send them to you once they're trained.

This desire to help others extends into other areas of her business. Her long-term goal—one that she is already working towards by strategically investing some of her profits—is to

build low-income rental units. This is a logical step since the early part of her career was spent administering HUD programs and working with low-income, first time home buyers. When asked about her vision for the future, Iris sees property management and staffing offices throughout California: “I’d like to expand ... with several locations in the East Bay, and hopefully move down towards Southern California. So that’s in my mind—state-wide!”

The business still requires amazing amounts of time to make sure everything stays on track. Iris reports putting in seventy-hour work weeks, often bringing home work after a full day at the office:

I usually put in sixty to sixty-five hours a week. My day usually starts around seven AM in the morning, and sometimes a little earlier. I’m usually in the office by seven AM. Office hours are from nine to four, so the office closes at four. Most of the time I go home to my home office and continue working there until nine or ten at night. That’s usually my Monday through Friday. I really try hard not to work on the weekends. Often times I’m working on Saturdays, but I will try hard.

In order to maintain this rigorous schedule and manage her stress, she gets regular massages and spends at least one day a week relaxing with family and friends. She also uses positive affirmations, reads inspirational books, and relies on spiritual faith to see her through difficulties. As Iris says, “God is my ultimate stress reducer.” When asked what sustains her, Iris also mentioned her staff: “I definitely have to say that it’s been putting good, proper, staff together. That allows me to get into the field and do networking and not have to worry about micromanaging—coming into the office to put out so many fires. That’s cut down a whole lot.” And of course, the financial benefits for herself and her family continue to be a motivating force:

I have changed my lifestyle to some extent. I’ve purchased a house this year, and I may have purchased a couple of new suits—you know, upgraded. But I have upgraded my lifestyle, and definitely my attitude. It’s definitely been an attitude adjustment that’s taken place in the last six months. I’m feeling better about the business, and everything is unfolding for me now right in front of my eyes. My entire vision has started to unfold for me. It creates a totally different attitude.

Iris’s immediate family—her son and her partner—are very supportive and proud. Her father, an entrepreneur himself, understands her accomplishments, but other extended family have been slow to realize the amazing changes that have taken place in her life:

They think, “Oh, she’s trying to run her own business and isn’t that cute!” One of my cousins called me and she said, “I saw your name in the newspaper.” Entrepreneur of the

year—I was a finalist for the PacBell Entrepreneur of the Year, and I was sponsored over at the Glass Cat a couple of months ago, so they had a little write-up in the paper about it.

And so she said, “I saw your name in there and I was so surprised to see your name.”

Iris credits Women’s Initiative with helping her start and stabilize her business:

Preparing financial statements and being able to read them and maintain your business’s cash-flow from month to month, that’s been very helpful for me, to let me know where my business stands and give direction. Also targeting my marketing; knowing what your market is is very important. I use that everyday, those tools, and that’s everlasting. You can’t get away from it, you just do it. I’m more organized now. Right now I’m kind of cramming everything into the end of the year. Next year I will not do that. Every month I’m going to prepare my statements and know what’s going in and coming out and prepare profit and loss.

The financial assistance Women’s Initiative provided was also very helpful: “At least with WISE you have the support and the resources behind you. Banks aren’t going to give you a consultant to help you with your flow charts. They’re going to come get all your equipment out of your office if you don’t pay them back! Your credit is going to go down the drain!”

The one thing Iris laments, however, is that she has difficulty getting access to the kind of business support she needs now that her business has grown. Once Iris moved beyond microenterprise, Women’s Initiative could not continue to provide appropriate services and programs for the scale of her business. She recognizes that she needs advice on the financials of a business her size—assistance that Women’s Initiative for Self Employment, which serves only very small businesses, does not offer.

I need more learning right now. I need more consulting right now, and I really need to express that. I feel really good about what’s going on—I feel really blessed, however I really do need more consultations, and some guidance. Women’s Initiative was appropriate for that particular time because I was a start-up, and I was new. It’s excellent for someone that wants to start a business, or is just beginning, it’s an excellent program. I really feel that I learned a lot. Now I’m getting to the point where I need some other systems.

Iris is sure she would benefit from talking with other entrepreneurs experiencing rapid growth in their businesses: “I would love to get together on a monthly basis with a group of women, you know, that are on my level, so that we could just play situations out, and topics. That would be wonderful, and I love to network with other WISE graduates. It’s important for us to stick

together.” Although she’s looked into a mentoring program, so far Iris has not found the services she needs.

Iris remains positive about her own business and encourages others who would like to follow in her footsteps. She advises them to maintain a strong vision in order to get through the extreme challenges of owning a small business:

It’s something else! I used to hear on Oprah, all you need to do is have a vision, and prepare yourself. But it’s so true! It’s very true, and it’s tough to get through the crying in the morning, trying to meet payroll, and being sick and having to go to work anyway, or putting up with someone who is cursing you on the telephone. I can’t tell you how often I said to myself, why did I do this! But it’s all worth it.

Iris’s advice to would-be entrepreneurs is to begin in spite of the many risks one must face:

A lot of small business owners or start-ups don’t have the money. If you’re going to wait for it, you’re going to wait forever. You’re never going to start your business waiting to save money. You have to get through the hard times and just do it. That’s the way to do it: get out there and get your feet wet. For start-up businesses, I would definitely say, have a plan. Have a business plan, and know exactly what you want to do. Of course, you’re always going to revise it, but at least have a plan—stick to your plan. If you’re able to raise capital—don’t quit your day job. Raise capital and have some money put aside if possible. That doesn’t mean don’t start your own business. It means start your business, but try to have the back-up funding. If that requires putting in evening hours, do it. If it requires working on the weekend, do it—because there will be a point when you will not have to maintain a day job. Start at home—to keep a low overhead. Start off very slowly and build gradually. Stay very committed to your vision, have persistence and live by your word; follow through. You can’t go wrong.

Women's Initiative

For Self Employment

Case Study

Robyn Cleaves

Robyn the Pet Sitter

One Year after Graduation

According to Robyn Cleaves, poison dart frogs lose their poison if they're not fed their native diet. She should know: Robyn Cleaves is also known as Robyn the Pet Sitter and counts among her adopted menagerie not just poison dart frogs, but also rabbits, hamsters, birds, bearded lizards, and of course, dogs and cats. After fifteen years as a teacher, 36-year-old Robyn now runs her own pet sitting business, with furry, feline, and feathered clients all over the Bay Area.

Robyn Cleaves was born in Bakersfield, a "podunk town" in central California and came to the Bay Area when she was three. She grew up in what she calls a "traditional" Caucasian household: her father worked and her mother stayed at home to take care of Robyn and her younger sister. When Robyn was twelve, her grandmother moved in with her family. Robyn remembers admiring her strength and her work ethic:

It was fabulous to have that extended family, and I am very close to [my grandmother]. She always worked, even after she retired. She hated being retired. She hated doing nothing, and so she went back to work. I had that real strong work ethic from her. I think growing up, the thing that I remember hearing regularly was, "do it yourself." Don't allow anyone else; don't trust anyone else. If you want it done right, do it yourself ... I heard that a lot from her.

Robyn's parents divorced when she was thirteen, and for the first time Robyn's mother needed to work to support the family. Seeing her mother struggle as a schoolteacher left a lasting impression on Robyn:

My mother had been stay-at-home most of the time. All of a sudden, she's thinking, "After 17 years of marriage I have to go out and support myself?" I swore I would never be in that situation. I will never rely on anybody else.

After high school, Robin went to work full-time to support herself, foregoing her college plans. Her first job as a secretary in an insurance office was a poor fit:

I ended up working at an insurance office, being a secretary, and *hating* it... [I] didn't have real good people skills, the insurance part was boring, boring, boring, boring, and I ended up getting fired—the only time I've ever gotten fired. I was just devastated. I was nineteen years old and had nothing.

Instead of continuing as a secretary, Robyn launched a career as a Montessori preschool teacher, completing a Master's degree program in teaching. After thirteen years in the career, however, she found herself struggling financially:

At about 13 years I started realizing, this is really hard making ends meet. You can't—in private school teaching—make a lot of money. I was ... tired of struggling, tired of paycheck to paycheck, squeaking by.

Fed up with her meager salary, Robyn thought she would open her own Montessori school with a few friends who were also teachers. They turned to Women's Initiative's *Managing Your Small Business* class in April of 1999 to find out how they should start. However, once they began to understand the expenses involved in starting their own school, they began to shy away from the idea:

I think if we hadn't taken the class we would have gone into this thing with rose-colored glasses and would have been sunk. One of the things that Women's Initiative really helped us with was the whole money thing. One of the main reasons the three of us didn't want to do this was that we would have been in debt up to our ears for years to open this place—fifty thousand dollars. Then, in order to pay off that, we were each looking at making maybe two thousand dollars a month. I kept thinking, "that's no more money than I'm making now" That was very helpful. We would not have understood that if we had not taken the business class.

Robyn, however, still wanted to pursue self employment. She had been pet-sitting part-time for two years, which fit both her desire for flexibility and her love of animals, so she decided to expand this into a full-time venture. The decision was not an easy one; she was worried that full-time work as a pet sitter would not be financially rewarding. Robyn decided to do it anyway, knowing that employment at a coffee shop or bookstore could always serve as a backup.

In making the transition from teaching, Robyn feels fortunate to have had the support of her partner, who also runs a small business, and her family:

Well it's interesting because mom, schoolteacher, retired a couple of years ago. She was so thrilled, and the man she's married to, who I call Dad, has been retired and had been wanting her to retire so they could travel. Both of them, Dad especially, was really excited when I got out of teaching, because he saw how teaching affected Mom, and he saw how it affected me, and he's always been very good about never saying much about it, but he knew it was a struggle making ends meet, and I wasn't real happy. Especially the last couple years were really difficult. So he was thrilled when I got out of teaching. Since then he's grumbled a little bit because I don't have as much free time. I work seven days a week, four weeks a month ... Overall my folks have been amazingly supportive, and my mother's always been right there kickin' for me.

Robyn also credits Women's Initiative with providing her with the support she needed to make it on her own:

I honestly wouldn't be here if it wasn't for them. I think everything about them is wonderful: the people, the women—because women [are] very important, picking women as role models and mentors is very important to me. The way that everything is run is so well organized, it's so well run, there's so much ... support. That's the thing—you're going into something—I had no clue. I knew nothing about business, but I had all these people around willing to say, "It's okay. We'll get you there. You'll get there." Just hearing that is like "okay, alright." It's a big trust issue... and everyone I've met at WISE have been just fabulous.

She began to expand her part-time business by posting flyers advertising her pet sitting services in veterinarian's offices. Through trial-and-error, she found that the best methods to

spread the news of her business were advertising in vet's offices and word of mouth. With training from Women's Initiative, and support from family and friends, her business prospered: within three months of full-time pet sitting, Robyn was earning almost twice the amount of her previous income. Most important, her decision to pursue self-employment resulted in a more fulfilling and flexible work life. Despite long hours (between 80 and 100 each week) and rainy seasons, Robyn finds her new work to be a vast improvement over the drudgery of teaching:

It's the flexibility... I have my own schedule. One of the things I tell my clients is that dogs and cats don't tell time. If I do not like a client or if I think they're going to be a real pain in the tush, I say, "sorry, I'm booked." As a teacher you didn't have any of that. [With teaching] it's, "Here it is, deal with it." I love animals. It's such a joy for me to go play with a dog for half an hour. Or play with a cat for half an hour. It's therapy.

Robyn now is confident in her ability to succeed as a self-employed person:

Success is me. I'm the one that brings the success now. I don't sit and wait for someone to pay me every two weeks. It's not like you show up at eight, go home at four and do stuff in the middle. Success is me. I'm out there. I'm selling me. I'm the one getting business. It's all me. I think that something a lot of people really need to understand in self-employment is that if you can't get out there and you can't sell yourself, you should give it up, because nobody's going to hand you money for nothing. You've got to earn it. Success is freedom. Success is freedom to know that I am capable; I have the tools; I can do it; And I do.

In the future, Robyn would like to transition from pet sitting to counseling after completing her Bachelor's degree retroactively, and completing a second Master's Degree. Whatever field she ultimately chooses, it is clear that Robyn has the business skills and savvy to succeed on her own terms. She has pursued and prospered in a business she loves and that suits her lifestyle. In her own words: "You find somebody who loves what they do, and they can do it for themselves, and they can make a living at it, and you've got the best of all worlds."

One and a Half Years after Graduation

"Having money—it makes you feel incredibly powerful. And I think unfortunately in this society, we place such a high value on having money. But it is a very powerful feeling.

I'm still getting used to it!" For the first time in her life Robyn Cleaves is getting used to the unfamiliar feeling of being free of poverty. Having spent years scraping by on a teacher's salary, Robyn was pleasantly surprised to find that she is able to earn an ample income being self-employed—three times what she used to earn as a teacher. Her new position has brought some unexpected realizations about the gender dynamics of wealth and power: according to Robyn, women often don't have access to the feelings of confidence that having money can bring:

I'll say, "Please, could you pay me?" PG&E never says please. PacBell doesn't send you a thank you note when they get your payment. They're very feminine ideas, that you need to ask for the money. No, I'm sorry! I earned this money! I deserve it, and I expect you to pay me. But you do have to get over that.

I think it's a women's issue because my boyfriend is in his own business, and has, no problem about asking for more money. He'll quote a price and if people can't afford it, he'll say, "sorry I can't do it." Whereas a woman would be going, "ok, can you afford three-fifty?" But women do that. They tend to undervalue their work and I think that's another thing that the Women's Initiative really helps people do, is stand up and say, "look, I'm worth X amount of dollars and if you don't want to pay it, I'll find somebody who will, because they're out there."

On the day-to-day level it's easy to forget that her situation has changed. Robyn still has to remind herself that she can afford to buy lunch out once in a while. But in other areas she's very aware of the change. She's gaining more control over her finances by paying down her debt and investing. Her new financial power also translates to the freedom to give to those in need:

One of the things that I do now is give money away. If I see somebody on the street and they ask, I'll help them, because I know what it is to be hopeless. One of the other things that's really exciting to me is that I've been paying off my debt like crazy. I've got an IRA started. I'm going to start a Roth IRA to save for a house, and I've got another retirement account, plus I've got two mutual funds that I've opened. I'm doing some serious investing. I could never do anything like that! I am learning about investing for the future and buying a house. Without the confidence and experiences I learned in the Women's Initiative classes I would not feel able or capable of these things.

Financial freedom isn't the only result of her business success. Everything in her life seems to be pushing her towards happiness and contentment:

I happen to be a very positive person. I've always been optimistic, I've always been upbeat. I think a big part of that is being happy. If you're not happy here—right here—inside, then it doesn't matter what you do. I've been through a lot of different stuff. I'm going to have a birthday in the next two weeks. I think literally in the last three or four years I feel like I've really figured it out. When you see things clearly it makes such a big difference to how you see everything. I'm very happy with [my partner]. I'm very happy with my parents. Everything seems to be peaceful, content, tranquil and there are some mornings when I wake up and think, "Ok, here we go. Same dog, same cat," but there aren't very many of those mornings. Part of it, I think, is being physical. Getting out on days like this it's wonderful to be a dog walker. Days like we had last week when it was pouring down rain and freezing cold, oh, not much fun ... But so far it's been a pretty calm winter.

This new financial and personal freedom is certainly not the result of sitting around. Robyn still logs sixty to eighty-hour work-weeks, but she recently began to turn down work—something she was afraid to do before. Her attitude shifted after the last holiday season, when she made the mistake of taking on too many clients:

I was miserable. I was sleeping about five or six hours a night tops. Then I'd get to bed at one and get up at seven. You know, you drive around and you're just a zombie. "Five down, seventeen to go. One down, thirteen to go." I can't do that again, and that's how I learn—the hard way.

Robyn's business is doing so well that she can also cut down on the services that she doesn't enjoy as much.

I'm actually not going to take any more regular walkers. I had nine per day. That's crazy! It's not workable! Seven a day is just right. I know that the money is going to come in from my going-awayers and my cat clients. I think one of the main things that's changed is that I've gotten so many more cat clients. That's really wonderful. I was thrilled for cat clients. First of all, because I love them and second of all, because they don't require overnights. People can go away on vacation and I don't have to do overnights, but I still get the business.

Turning down business was a challenge at first:

That's one of the things that's taken me a while to get used to. In the past when I would lose somebody I would just panic and think, oh my God, I'm down X amount of dollars per month. Now it's gotten to the point where I've got a wide client base, so I'm not panicking when things change. It's like, "ok, things have changed, something else will come along." That's the really exciting thing. My business has come so far that I can turn

down customers and not have to be panicking that I've got to take every dog or every futon client that makes me sleep on the guest bed.

Because she loves her work and is an empathetic person, Robyn also just has a hard time saying no to people who need her service.

I think at this point one of the things I'm struggling with is saying no. I told my partner what I need to do is put on my service a message saying, "I'm sorry but Robyn the Pet Sitter is taking no more new overnight clients." When they call I always listen to them and I think, "oh, their dog sounds cute," or "the house is in a nice neighborhood," but if I put that on the answering machine I've already got an in for people to understand where I'm coming from. I happen to be Mother Earth sometimes, "Oh, I can do it all, I can take care of everybody."

Robyn's bubbly personality and sense of responsibility towards her clients have drawn many new jobs to her by word of mouth. "I think a lot of it is that clients really like me and I offer a superior service. I really believe that. And talking to people who had other pet sitters and seeing other pet sitters, just what they offer. I really believe I offer a superior service." She loves animals and it comes through in her work. As it says on one of her brochures, "I love your pets as much as you do!"

Robyn is currently faced with a challenge that many micrentrepreneurs face once their businesses are established. Paradoxically, she's not sure she wants her business to grow.

The next big step is—if I want to grow bigger—I have to hire somebody. If I hire somebody that means I'm not doing all the work and I don't know how well it's getting done. I am very much a control freak, especially because my name is on the business. I'm the one people answer to.

I'm real happy the way things are. I really am. I'm not ready—mom and dad have both told me, and [my boyfriend] told me too, "If you want to do that that's the next step," and yeah, I know that, but I'm not real sure I want to do that right now.

Robyn is not sure that she can give up control over the quality of the work, nor does she want to become a manager over doing the work itself. Human beings are animals, but she'd rather deal with the furry kind.

Whatever she chooses as her path for the future, Robyn is content with her new career. The support she's relied on to help her to succeed has come mostly from her family and from Women's Initiative for Self Employment, which provided an environment in which she could learn about business without having to focus only on her industry. The Personal Effectiveness

and Power component of the Women's Initiative core training had a big effect on Robyn's confidence in her own abilities—a confidence that's proved to be very justified:

There's no way I would have gone into this full time if I hadn't taken those classes. I would be completely uncomfortable. Just, "I can't do this, I don't know how to do that." You guys are the only people in the Bay Area that offer this specifically catered towards women, even though you do accept men, I think it's amazing. I don't think there's been anything that wasn't helpful. My partner was asking me, "What do they do? Do they do debt management? Do they do credit?" Yeah, they did all of that stuff. Even stuff that I don't use, like profit and loss sheets. I think it's important to offer the whole picture.

Women's Initiative

For Self Employment

Case Study

Leatha Jones

Write Connection Career Services

One Year after Core Training

Achieving career goals takes a lot of hard work. It is even a greater challenge when one is very young, full of dreams and lacking family financial support. Leatha Jones had just this challenge to overcome as she began on her path to owning her own business. Now a successful entrepreneur before she's even hit her thirtieth birthday, Leatha's story is proof that a proactive attitude can get you anywhere.

Growing up in Berkeley, California, Leatha aspired to go to college after high school, and eventually own a business. Unfortunately, college was impossible because of her family's economic situation and lack of interest in her goal. Leatha knew she would have to work on her own to make her goals possible. "It was just stuff going on at home, so let me just take care of myself and I'll just be my own resource," she said.

She began her professional journey at the age of nineteen, working in food service at the University of California at Berkley. From there she moved on to HIV/AIDS health care prevention. This led her to canvassing for a women's health care organization and later, for the Haight Ashbury Free Clinic. Leatha credits her years of canvassing for helping her perfect sales skills. Her work experience was also motivation to start her own business. Leatha found that she often did not agree with management decisions. She wanted her opinion to matter when it came to her own work environment. After gaining much life experience through various jobs, Leatha began her academic career. Spending a year at the New College of San Francisco led her

to Laney and Vista community colleges. She then transferred to U.C. Berkeley and is now a graduate student in career counseling at J.F.K..

It was while she was still an undergraduate majoring in English literature that she first tried her hand at starting a business. She knew that flexible work was important if she was to eventually start a family. Private tutoring seemed to fit the bill. In researching that business, she learned that her competitors had Ph.D.s and were charging \$10.00 an hour—less than she needed to charge to make ends meet:

I was trying to figure out if I should just go straight into the Ph.D. program at Berkeley, but I decided not to do it. All my professors...encouraged me to do it, but the job market for them just sucks, and I had done enough labor and market research to figure out my own career direction. I investigated three or four different things...

She began to think an academic career was not such a good idea if it only led to low-wage work.

Helping her friends write their resumes sparked an idea for Leatha. Knowing she had a talent for writing resumes and realizing there was a market for this skill, she started a business. It was still just a way to make extra money while in college, but the prospects were better than they were for tutoring. Her earlier work with people in transition from welfare to work had really opened her eyes to the lack of career services available. A major motivation for beginning her business was wanting to help people with their careers—to help people develop the skills that just came naturally to her. After joining the Professional Association of Resume Writers (PARW), she realized she hadn't even been charging market rate. "I had charged so little money. It was like thirty dollars for a resume, cover letter, and all this extra paper and all this stuff, which I just laugh at now." After joining PARW in the fall of 1998, she raised her prices and within one year, her business, Write Connection Career Services, really started taking off.

Currently, Leatha is no longer just writing resumes. She has expanded into a full-service personal marketing firm. Her company does everything necessary to prepare the client for a job search and career advancement:

After you get the interviews, you may have trouble preparing for them. We can help you do that—prepare for in person interviews, telephone interviews—all those things—and also negotiate your salary so that you're compensated to the level that you want to be. Even after that—after you have the job—if you're having trouble acclimating, or you're having trouble with a boss or something like that, I can help you deal with that issue as well. We're doing the whole spectrum—everything having to do with work.

She backs up her service with a guarantee: “The resumes I write are guaranteed to get interviews in thirty days, or I re-write for free.” Because she completed her degree after being in the workforce for a number of years, Leatha feels a particular draw to help people in transition. She has even started a book scholarship for adults who want to go back to school. As Leatha continued her graduate education, she found she wasn’t getting the practical knowledge she needed for her business. “I asked my professors because a lot of them have their own private practice too. But a lot of them do not have business savvy. I’m not saying I’m a business expert, but I just figure things out—just do stuff...sometimes instructors tell you a little bit. I guess they see you as a competitor, so they don’t want to tell you.”

Her quest for practical business knowledge led her to Women's Initiative. “I didn’t know how to do anything and you guys knew how, so I wanted to learn. I wanted to learn what you learned so that I could do my business better.” She adds, “I liked listening to the other women’s business stories and doing the homework.” Leatha was not able to complete her program at Women’s Initiative because she moved out of the immediate area. However, the move proved to be opportune for her business. She found that in a suburban environment, she had fewer competitors, and the ones she did have were not in her professional league. Leatha attributes her flourishing business to her ability to find the information she needs on her own. If those around her don’t have answers, she finds people who know. “Whatever I want to do I just figure out how to do it and then I just do it, and I ask people. I just ask people who know. That’s why my business is where it is today, while other people’s businesses are not.”

The frustrating things about owning a business are the isolation and the long hours. In her previous public health career she had much more contact with people:

The one thing I don’t like about having my own business is not working with other people. I’ve always been pretty much independent, but I didn’t realize I was so connected to other women, other business owners—that’s what I liked. I liked the cause too—that was important to me, working with women.

The responsibility she carries on her shoulders can also be difficult at times:

I used to like writing the resumes a lot, but lately I have not been liking that too much because I don’t have a lot of uninterrupted time to do them like I used to, and I have more clients now, so there’s a lot more pressure to get things done. The way my brain works, I have to have time to sit down and do things. I always have to speed things up. Before I

hired my employee it was really busy. I didn't anticipate—I knew I had to hire somebody sooner or later and I thought I'd have to hire somebody in January, so I thought, "ok, I'll wait 'till January." November I think was my best month so far, and that was really stressful: I had so much to get done, so now, I think I'm managing my success ok.

Business success has definitely increased Leatha's self-confidence. "I did achieve my goal because I have a web site, and so I have customers from all over the world contacting me. So I feel like I did achieve that." Other benefits have come as a result of her business success: "Now I finally have a car. That's like a major thing. I got a 2001 Toyota Corolla. It DOES feel good! I was doing the whole bus/BART thing for ever! Going to all these hellish jobs I had. And working on my business—doing my business when all my friends laughed at me. And now they like all want jobs from me!"

Leatha's goals for the future include expanding her business to include comprehensive career coaching services—this is what her studies at JFK are preparing her for. She has other ideas as well:

Well, next year, because I'll have more time once I have the operations down, I can have more time with other things. So we're going to start offering services to entrepreneurs and business owners and writing their resumes and, depending how my skill level is, other personal marketing materials ... Resumes are more for job-seekers, so I want to start marketing myself to entrepreneurs.

Another service I want to start developing is a career development organization that can serve companies that are down-sizing or doing some kind of career development center for their employees. I really want to start looking at that too.

When asked how she had the courage to begin such a venture, Leatha responded with an answer that reveals her strong character:

I just do it. I don't know! People always say that. I just had to make a decision. I had broken up with my ex and I still don't have any kids, but I did this for the kids. I really wanted to have kids, and I really wanted to be a stay at home mother. That's why I started the business, and that's where my priority is—to do something that's flexible to make money and raise a family.

In a way, you could say that self employment was a necessity for Leatha Jones. "I'm the kind of person who has to work on their own. I do not work well with other people. That's the other reason I just worked so hard on this business. I just can't do other types of work. I'm just too

independent. I don't like to answer to other people. I like doing the stuff that I want to do."

What is Leatha's advice for women starting their own business?:

First, figure out what you need from a business—why are you starting a business. If you have that focus in mind, that's important....have a skill or develop your skills—I'm constantly developing my skills. You have to do a lot of research and start talking to people who already have a business—just continue doing that, networking in classes or as many places as you can. It takes time, and if you develop a plan I think you can do it.

I think it's important to figure out something that you have an interest in and that you know how to do. First, figure out what do you need from a business—why are you starting a business. If you have that focus in mind, that's important. Some people say don't go into a business you don't know anything about. I still believe that.

Women's Initiative

For Self Employment

Case Study

Jane Doe

Second-Hand Store to Jane Doe Organizing Services

One Year after Graduation

Jane Doe grew up with a saying from the 1930's Depression: "Use it up, wear it out, make it do, do without." Her upbringing resulted in a love of recycled and used goods. At the age of fifty-eight, and despite a crippling disability, Jane began a small consignment shop where she sold used household items. Training from Women's Initiative guided her in the early days of opening and running her shop. She found that her physical weaknesses were a major barrier in her owning and managing the business.

Jane Doe grew up in Yonkers, near New York City, as the oldest of four children in a working-class family. Her father was an industrial engineer. Her mother was college educated, and had worked at Lord and Taylor in New York City before having kids. Her father quit school when he was sixteen and worked to support his family. Jane remembers her father as a dedicated worker: not only did he work full-time during the day, but also worked a second job at the racetrack six months of the year:

He was working two jobs ... he came home to eat and then had fifteen minutes to lie down and then he went to work. I was raised with a very highly developed work ethic, to the point when I would call home from California to New York I'd say to my father, "Hi Dad." And he'd say, "Hi. Are you working?" He just wanted to know ... that was the most important thing.

When her parents were separated for one summer, her mother purchased a small restaurant where 17-year-old Jane became a waitress:

My mother and father were separated, so she took this old, what she called a, potato shack that had been a restaurant many years before and had all this dirt all over it and cleaned it and painted it and made it a restaurant, serving only clam chowder and two different kinds of sandwiches—roast beef sandwich one day, and then turkey, hot turkey sandwich or hot roast beef sandwich. That was the whole menu.

Other members of her family were women entrepreneurs and were wonderful role models for Jane when she was thinking of starting her own business:

My parents moved in with my grandmother and two aunts when I was a baby and my grandmother had a guest house out in Long Island, which is now called a bed and breakfast, with three rooms. My aunt had some cabins. That's three women in my life who had their own business and they had a big influence on me because of living with them.

After Jane graduated from high school, her parents enrolled her at the premier secretarial school in the city, one of the few options available to women of her generation:

My parents never mentioned college and I thought it would be very hard. It turns out it's actually easier than high school. I just was misinformed. I went to Katherine Gibbs Secretarial School, which involved six hours a day of school, six hours a night of homework, five days a week, for nine months, except for the week between Christmas and New Year's. I thought I was too dumb to go to college, and here this is thirty units basically. I had to ride home on the subway, back and forth, on the subway and on the bus. I was just raised at a time where the choices were nurse or secretary or teacher ... I didn't think outside of those. I didn't think in terms of a profession.

After Jane graduated from secretarial school in 1960, she worked in Manhattan. However, secretarial work did not suit her. Because she was tall and had polio as a child, her legs didn't fit under the desk. Her personality was too strong, and she could never type correctly. She moved to California in 1963 in search of better options, but was forced to return to secretarial work:

I went back to being a secretary from time to time. It's something to fall back on, but I never loved it. When I think of all the times I wasted in those airless high-rises over in San Francisco, that is a big regret. I never should have done it. I don't have that type of personality to be subservient, and that's what you have to be. Once a boss told me--I made some suggestions--he says "Jane, you're not paid to think." You're not paid to think. That's how it is over there. That's how it is. They want little machines that go in your ears and out your fingers. So if you have any initiative at all, being a secretary is probably not the job for you.

Jane tried out many different jobs. She worked as a market researcher, interviewing people on the street, in their homes and on the phone about products. She also drove a taxi for a

year. Her first experience as an entrepreneur occurred during this period, with a business as a decorator doing "house staging," beautifying houses to ready them for sale. She also staged yard sales for people, another job that she liked because it did not interfere with her health. She enjoyed interacting with people and haggling. Jane later worked as a professional organizer, organizing files and papers for offices and individuals. Next, Jane began working at a thrift shop, one job that she greatly enjoyed for four years:

I loved it! I just love thrift stores, yard sales, flea markets, I loved the passing on of things, the recycling of things. It was sort of like a community center too, and that's appealing to me. The only thing I was aware of wanting to be as a child was a social worker. I heard of all these poor children; little did I know that I was one of the poor children, ... it was a wonderful experience.

Jane decided to translate her love for used goods into a consignment/gift store. Aided by a grant from the Center for Independent Living, which provides services and funds to physically handicapped people, she rented space in the back of another consignment store. Her own shop was intended to sell gifts and items made of recycled materials, with one table devoted specifically to local artists who made such art. Jane describes her passion for recycled goods and their potential for high sales:

The earth is dying from over-consumption. If you can make something out of nothing, and they make it attractive, everybody wins and it's cheap to buy and cheap to sell. You have a community feeling in the meantime when you're dealing with people and hanging out. It's an all-win situation!

Unfortunately, Jane's polio disability prevented her from spending a significant amount of time on her business. She had not admitted to herself that she fatigued easily, and could not perform any strenuous activity such as lifting. Since much of her work revolved around transporting items from garage sales and flea markets, it was difficult for her to persevere:

I look back to analyze what went wrong here. That's how I came up with that [the store] 'cause I have a lot of experience with that, I said this is something I can do easily, it's not a strain. Never thinking that it was going to be terrifically, physically straining. I just omitted that from my analysis, because I was still in denial about the post-polio... It destroyed my capability to do it. I just couldn't do it anymore. I was so tired all the time from--I was only working three hours a day--but it was five days a week. [...] Your body doesn't know if you're doing the dishes or if you're getting dressed, that's still expenditure of energy, and I'll tell you the truth--I was very desperate. Living on social security disability is not very much money. The grant came at that time and I said, "You've got to decide

now, because they're closing down the program. Who knows when you're going to be handed \$3,800 again.” I was desperate to make some money, and this is what I knew backwards and forwards, and I said, 'This will work,' and I never considered the physical aspect of it, how physically debilitating it would be... I said, 'Wow, this is gonna work,' and it didn't work. But I loved acquiring the things, and I loved talking to the public, and I most of all loved arranging the store in an attractive way.

An additional factor affecting the success of Jane's venture was her relationship with her business partner, who owned the front half of the consignment store. Personal issues resulted in a falling-out between the partners and ultimately, in a decision to close the store:

There were two stores: one in Dublin—I took a six month lease because I didn't know if I could do it. It turned out to be too much (including driving 30 plus miles each way and going to Women's Initiative to school). So I tried again, five minutes from home in Oakland, and it was still too much.

The relationship [with my partner] was not very good. I thought that we could talk things out, but it turns out that she was going through a lot—I was going through physical debilitation, and she was going through lack of money. She had lost a job that she valued very much four years before and I think she was processing that... at one point she said to me, I think you've got more than a third of the store, so I said well let's measure, she says no, no, I'm not going to measure. Right then, I knew that there was a very big lack of communication, and I'm just saying the woman has limitations. I don't hate her or anything like that, I feel very sorry for her. But, I couldn't operate under circumstances like that where you can't even talk to the person.

Jane found that she enjoyed taking classes through Women's Initiative. She says it would have been helpful if Women's Initiative encouraged her more to evaluate several different options before she had settled on the consignment store. Jane continues to sing with her band, With Strings Attached, and is thinking about making a CD of her music. This was an idea she wished she thought of earlier. “It never occurred to me, to make a CD that I could market myself”:

Well, I think there could be additional interviewing, because this other woman changed in mid-stream. That's the other [thing]—other than the networking—that I find missing. I was on a real high because I was living in survival: “Ooooh I think we've got to make this go because I don't know another thing I can do.” I'm not blaming Women's Initiative—I should have been more prepared—but that might be something they want to take up is. Going through and saying, “What are all your experiences and all your talent, and what do you love the most?” And actually it wouldn't have helped me, because I

love second hand stuff very much, but I love singing too, and it never occurred to me to make that a business.

She believes that she could have used the information more thoroughly if her business had been successful:

But I'm glad I did it, it was very inspiring, it was wonderful to sit around a table with other women who were also coming from no place and putting together a business. The social aspect was wonderful—I was going to say group therapy—the group aspect was very good, I really appreciated that. And it was just a great experience ... I was very tired through a lot of it ... I appreciated it, and I participated to a large degree, but if I hadn't been so tired, it would have been a much better experience.

Jane is clearly a self-starter, and has taken on tremendous amounts in spite of her physical disability. Negotiating around an illness is not an easy task, and hopefully in the future Jane will be able to pursue work that she loves without overreaching physically.

One and a Half Years after Graduation

A profound optimism—one based on personal responsibility and choice, rather than on wishful thinking—permeates the room as Jane Doe describes her new business, “Jane Doe, Organizing Services.” This optimistic attitude is one that comes from having tried and failed in previous endeavors, and having finally found her niche. Jane’s new business provides much needed supplemental income, endlessly interesting work, a feeling of satisfaction from helping others and the flexible schedule that her physical disability requires. Perhaps most important is the sense of well-being that success produces.

So just what does “Jane Doe, Organizing Services” provide? As Jane puts it, she is “specializing in home offices and relief of domestic disorder.” Essentially, this means coming into a disorganized environment and helping people to straighten things out and create systems for maintaining order. This work is very rewarding for Jane:

When things get straightened out, people’s lives change. I give people tools and techniques to get organized, and I support them in making changes in their lives so that they can feel calm and more organized and they can function better in their office, not lose things and function better in their homes, not living in chaos.

Jane had actually done professional organizing in the past and had not pursued the business, because she didn’t want to just organize filing systems and she was really interested in

re-use and second hand goods. In her new business, she decided she would choose her contracts carefully. The idea to begin this business again came to her when a friend asked her for help:

In September when I helped my friend clean up his room, I got the feeling once again. I went home and I said, 'This is right! This feels wonderful!' I just plopped right in and did it without even thinking. There was no strain, no pain, so then I started doing it again.

It wasn't easy springing back from the disappointment of losing the store. In retrospect, Jane realized that the impediment to her success was emotional as well as physical. "I feel very strong this year. Last year I felt very weak. I think there is a psychological component in that," she said. Coming from an abusive family, growing up in an era when women were either secretaries or housewives, and going right into an unsuccessful marriage and unhappy work life were all challenges that Jane was faced with. The only way she was able to create success for herself was to learn from these experiences and change her behavior:

I've been going to therapy and trying to get ... detached from my ex-husband and son who were—not doing well mentally or emotionally. I felt alienated from them, you know, but you have to decide at some point in your life... this person's either going to be pleasantly in my life or not going to be in my life, and that's that. Everybody I know is over twenty-one!...[I decided] I should be applying my skills to those with less capability, instead I'm applying myself to those with self-generated helplessness. That's what's changed in my personal life—I'm learning to draw boundaries. When you do the right thing for yourself, you're automatically doing the right thing for others. You're automatically saying to this person, I believe you can do it. It's not *my* responsibility—it is *your* responsibility to get this done, so that's great.

Despite feeling more in control of her life, Jane still faces physical challenges that affect her ability to work. With professional organizing, she has found just the right mix of work and rest. She only has to work as much as she feels comfortable with, and this fact is partly what distinguishes this business from her store. With the store she had no choice: to stay open she had to work long, fatiguing and potentially physically damaging hours.

Jane's own experiences lead to her success as a professional organizer:

Well, I was originally very disorganized myself. I used to have a drinking problem and I had stuff all over the house. I eventually worked my way out of being disorganized and very chaotic. I looked back and said, 'How did I do that?' I analyzed it and then ten years ago when I realized that I had post-polio and that I wasn't going to get better by going to the gym and exercising or something. So I said what can I do that even if I don't feel

well I can do it, and if I call in sick I can still have the job, and I can get more per hour? So I thought about organizing. Then I found out there's a National Professional Association of Organizers.

To be a professional organizer requires empathy and compassion, and it is much easier to be compassionate when one has experienced being disorganized oneself. Jane really does feel affection for her clients:

I feel wonderful affection for them. It's just so great. I mean it's a non-threatening relationship on both sides. I mean they're listening to me where they wouldn't listen to somebody in their family. I'm not saying that they're never wrong, but it's a neutral outside party, and you get to really like them. I enjoy it because I can do it well, really well. I mean I'm still learning about left and right-brained people, but I can do what I can do really well. The people are very grateful. I've changed somebody's life! You know one woman who I helped a couple of weeks ago—she had not had a visitor in four years because her place was such a mess. There's a lot of shame involved. There's shame, guilt, fear, and being overwhelmed, and, especially shame. All the people I deal with are very bright. They say, well, if I'm so bright why can't I get this done? You know, they're doctors, lawyers, Ph.D.'s, editors. That's so satisfying.

One of the joys of the work Jane is doing is that she can continue to learn and practice new skills. "I'm always learning. It's the most satisfying work I've ever done, and it's, really enjoyable, it's really helpful for people and I get more money per hour than I would have when I ran the store, and I have to do much less work. I work about three afternoons a week."

Currently she is learning new skills and techniques for organizing and would also like to offer coaching services. Just by reading and learning about the techniques she plans on incorporating them into her current practice: "I really enjoy the hands on, so I'm thinking instead of going to coaching school, I'm going to pick brains and read books and see if I can just go with that."

Jane's goals for the future are to continue to provide a quality service, organize her business better, pay down her debt and maintain her physical health:

Just being organized—you know, the shoemaker's children. I need to get all my clients onto one page each with all their information. Being able to maintain my energy is always number one, along with getting my debt paid. I would consider myself a very great success if I could pay my debt. I'm paying it as quickly as I possibly can. Then success would be continuing to deal with clients and have them appreciate my services. That's continuing to be useful. That, to me, would be success. It's not making a lot of money. It's making enough money to not be living on the edge like I have been for so long. A long, long time.

Jane's goals seem securely within reach, and her success has been the result of learning from the past, learning to value herself as highly as she values others and learning to go with what feels right to her, rather than to pursue what others think she should do:

All my life I've tried to fit myself into things that seemed appropriate or seemed like they'd be fun or seemed like it was something I could do, and I couldn't. This is so natural to me that it just feels wonderful. It's so much better than all the other things combined!

Women's Initiative

For Self Employment

Case Study

Kathleen Flannigan

Kathleen Flannigan Designs

One Year after Graduation

Kathleen Flannigan's desire to communicate in her own artistic voice has fueled her passion to start a business creating and marketing painted works of art on furniture. Although a life-long artist, finding the right niche for her artistic expression has sometimes been difficult. Despite her family's wish for her to pursue a more traditional profession, the pressure of art school to conform to a particular aesthetic, and her significant physical challenges, Kathleen has found her own voice and stayed true to her vision. As she puts it, "I was just bound and determined to become an artist."

Although Kathleen had been pursuing a business in the arts for many years, it was her belief that "money counts and money talks" that led her to Women's Initiative for Self Employment to help stabilize and expand her operations. Throughout her life Kathleen has sought the training and experiences she needed "to find the right track as an artist." Only recently did she get the assistance she needed to finally establish her market.

Growing up in L.A. and San Diego, Kathleen was lucky enough to come from a "very comfortable background." Her family provided financial support when she was in need but was not always supportive of her artistic aspirations:

[T]hey had plans for me to be a tax accountant, or work for GE, which I couldn't desire less. I can't even turn the pages of my tax forms! But they had those plans. I was steadfast in becoming an artist from a very early age. So, I would sit in my back yard—I

had tons of pets. I kept rabbits and hamsters and mice and I had a garden and I'd sit there drawing all my pets.

First diagnosed with cerebral palsy as a child, Kathleen endured many surgeries in her youth. She was later diagnosed with a rare genetic disorder that mimics cerebral palsy. Her disability kept her isolated as a child. It was here that she discovered artwork. When asked what role her disability played in the decisions she made in her life, her answer revealed a positive, tenacious attitude: "When I used to write my [artist's] statements of purpose, I said something like, 'I triumph over my disability as an artist!' Well, I changed my mind completely, and I feel that disability played a vital and good role in developing myself as an artist."

The path to using her artistic voice to establish her business had stops and starts along the way. She pursued an arts education, although at times it was interrupted by family demands, including raising two sons and going through a divorce. Kathleen attended Reed College, the California School of Fine Arts (later known as the San Francisco Art Institute), and the California College of Arts and Crafts, from which she received a degree. Although she feels these environments weren't helpful to finding an artistic niche, she was able to find individual teachers who provided encouragement and inspiration. After her children were grown she began to pursue a business seriously. Recently Kathleen took advantage of a program at an art center for people with disabilities. It was here that she started to experiment with drawing borders and became more interested in pattern and color. Kathleen also won a prestigious fellowship through A Very Special Art Gallery in Washington, D.C., and marketed her work through the gallery, a venue specifically for disabled artists:

And so I started doing borders ... and I sold them! In fact, Creative Growth sold. I was the top sales person. At that point I said, "wow, let me keep doing this." Money counts and money talks. So I did-I got them out in wineries and all over San Francisco and I got a lot of shows all over Berkeley. Then I got involved with Very Special Arts in Washington, D.C., which is part of the JFK performing Arts Center.

Since starting her business, success has been cyclical. As a result of the trend in the 'eighties and 'nineties of de-funding the arts on the federal level, A Very Special Art Gallery closed. Thinking she could bring her sales back up with mainstream gallery accounts, she worked hard to get her art into other venues. "I think I didn't find exactly the right galleries. I thought I had but then they went out of business too." Looking back, Kathleen reflected, "I was

using a shotgun. Instead of concentrating on a couple I was using volume and was spread too thin.” She also ran her own gallery for a time, but it turned out to be unprofitable. Kathleen remembers, “I was open six days a week, eight hours a day, and I would go down there and I would draw away, and had a little business, but it was not the right location because no one goes down there. If I had been up on College Avenue [in Berkeley], which has tons of galleries...”

Kathleen’s strong motivation, however, never wavered.

Well, some people ask, isn’t it enough to sit in your kitchen and draw? No, it’s not! You want to communicate. I want to communicate. I want an audience. I mean definitely. I don’t want stacks of drawings at my death that someone burns up or something! You know, what are these? I got in my wheelchair and I went on paratransit to San Francisco, and I went up and down the streets of San Francisco finding galleries that would show my work. At that time I also had a greeting card business. That was very successful. I had thirty-two outlets for my greeting card business, which had prints on the cards of my work. It had my telephone number on the back, so people would call me up, ‘Oh is this available?’ I’d say yes, just send me a check. Then I did all these competitions from Women Made Gallery in Chicago, and my stuff really sold. Then I started going part-time to the National Institute of Art and Disabilities in Richmond and they had a store in Ghiradelli Square and it really sold! I was making four or five thousand every month. Then bang, Nothing!

Not only did Kathleen want to express herself, she now also really needed the extra income. As her business income went down, she was forced to rely on state and federal disability payments. It was the frightening prospect of losing most of her art income that led her to enroll at Women’s Initiative.

Kathleen had seen that her work could be marketable and knew there was a better way to reach her market and sell her art at a profit. She found the way with Women’s Initiative:

[I decided] I’d go to Women’s Initiative and learn to do more than just break even, learn how to market and things like that, which I did! It was wonderful! They taught me what I was doing wrong! Like, how to put cash flow on a piece of paper and stick to it, not change my mind every day. I also learned pricing and sales, which allowed me to bring stuff together—to connect stuff. It also allowed me to see everything as a flow, not as chaos, but as going in certain directions. My work’s tightened up too, in terms of what sells and what doesn’t sell. It really sharpened my mind.

Before it was chaotic. Now, I can walk into a store, see if it’s viable—that my work would sell there and look at the clients who come in—the market. I look at the store and say to myself, ‘My stuff here? Forget it!’ or ‘Maybe so.’

Kathleen's success still comes in cycles. She is currently in a show in Santa Ana, and continues to do commissions and work for A Very Special Gallery. But although it is improving, Kathleen's business is still not fully stable in terms of providing the profit margin she would like. A loan from Women's Initiative allowed her to build up the inventory she needed to take her work to the American Craft Council Show, a major wholesale art show. Unfortunately, and for reasons Kathleen is still assessing, she did not make many sales. The challenge of finding the right niche continues to be a barrier and an area that Kathleen still needs to address. Kathleen is very clear about her goals for the future:

Making money with my artwork, finding my target markets, getting myself out to galleries that will prove lucrative to me and of course money, that's important. Not wasting time: I also do a lot of commissions, and with those, if they say to me, "You know, we don't have a very big budget, but can you do it for so-and-so", and I say, "You know, I can't, because I have to make enough money." I think non-profits are great and everything, but I simply can't do it, so success means, the money, not wasting my strength with markets that don't work out because they don't have the clientele, having time to do my artwork.

Success is also in finding a really good San Francisco place. As of now, I don't have it. So I may—I probably will just go over to San Francisco after the holidays and find one or two galleries that seem like stable galleries. I do need a San Francisco outlet and then a San Jose outlet with Silicon Valley.

In spite of the challenges, Kathleen encourages other artists to market their work. Her words of advice would be helpful in any art school curriculum:

Don't put all your eggs in one basket—have a lot of different options that you can choose, and be extremely flexible. If something doesn't turn out, have, within ten minutes, an alternative that you're enthusiastic about. Be cruel too. You can't say, "Well, I could lower my prices." Sometimes I've sold break-even, because I think, well, this person will have people coming in to buy, I can charge a bigger fee, but I don't do that anymore because I just don't have the time. Time is precious, I could be nice, but then the gallery closes the next month, or something, and then I have to go pick it up.

Kathleen's passion for her work continues to be the main motivating force in pursuing her business:

I get to do my artwork. It energizes me. I love this. I get to express myself day after day—that's such a privilege! People with a lot of spare time may not realize that you can find something fulfilling. I get to have a good time drawing, with color and line, colored pencil. I get to do something new all the time. It's such a joy to do the art—it's fun. I get to really love what I do, and then I enjoy meeting people and talking to people. I enjoy

marketing too.

It is the combination of her indomitable spirit and the tools she learned at Women's Initiative that have allowed Kathleen to plant the seeds for her own success in one of the most competitive professions:

Nothing is impossible. There is a solution for every problem. This I really believe. Keeping your energy up. Not being negative. You can't be negative, or you're wasting your time! You can't be a victim either. If you feel sorry for yourself, you can't be a shrinking lily. You've got to get out there and do it.

Women's Initiative

For Self Employment

Case Study

Wanda Williams **Wanda On Wheels**

One Year after Graduation:

“I’m gonna be focusing on my business because I want it to run smoothly with great benefits for me and my family, as well as the community.” Wanda Williams, a native of Oakland, California, a mother of five, and grandmother of two is holding true to her vision of starting a transportation company serving visitors to California’s prison facilities. Her business idea was born out of a personal need: she has a son in prison and learned the hard way how difficult it can be to visit an incarcerated family member.

Wanda grew up in East Oakland and was primarily raised by her mother. After her parents separated, she watched her mother struggle to make ends meet. This experience, though hard, instilled in her a strong sense of personal responsibility and independence. “My mom—to me she was my mom, my dad, everything! And to me she is a very strong black woman. She took care of her kids—six of us—and I’m the oldest.” Her mother continues to be one of her strongest role models.

Wanda started her own family when she was still a very young woman. Money became tight after Wanda separated from her husband. Although she could have qualified for welfare, she preferred to remain independent. She did not pursue child support from her ex-husbands: “I didn’t believe in going after the fathers for child support. I just felt that I could do it on my own. I think about it now, and I shouldn’t have thought like that. It would have been a whole lot better

for [my children] as well as easier for me if I had gotten support from them, but I guess I was strong-headed.” This decision translated to long working hours:

I was always out there to try to make money, so that I could take care of my daughter. So I sold Avon or other things. Finally, when I was about twenty-one years old, I ended up getting employment at Wells Fargo. I really enjoyed working with Wells Fargo, but I used to hate some of the things management did. That’s when I started deciding I needed to go into business for myself—be my own boss, do what I wanted to do.

After working many years at Wells Fargo, Wanda finally became fed up with the constant management problems. "I was at Wells Fargo for...almost sixteen years. And they decided to relocate my unit to Southern California. But before that happened, I had already had this dream of starting a transportation service." An order to relocate to Southern California proved to be the last straw: she took advantage of the opportunity to strike out on her own. Not quite ready to start the transportation business, Wanda decided to get through the transition by starting both a housekeeping and daycare business. It was a huge relief not to be working for Wells Fargo any more:

Well, it felt good, in fact I enjoyed what I was doing. I was making as much as I was making at Wells Fargo just doing housekeeping. One of my clients would do housekeeping and I would take care of her kids while she worked, so I pretty much almost made the same salary I made at Wells Fargo, but I didn’t have as much responsibility and no headaches! For a while I enjoyed that, but my dream was to start my shuttle service—so I started easing away from that.

Wanda found out about Women’s Initiative for Self Employment by chance and it proved to be just what she needed to jump-start her business planning:

Wow, [the training] was great! It was so great, in fact I’ve been telling different women that if they say they want to go into a business, I tell them that they should call Women’s Initiative. Even if they’re still working on it, I say, if you have an idea and want to start your own business, I recommend going to Women’s Initiative. They’ll help you with what you need to do—really get you in that mode of, 'this is what I want to do; this is what I’ve got to do,' and help you with planning. I really appreciated the training.

Although still in the planning phase one year after graduating from Women’s Initiative core training, Wanda has made huge strides in establishing the significant infrastructure her transportation business requires. She has cleaned up her credit, purchased her first van, rented an office, purchased insurance, and secured the necessary licenses. Next she’ll set her routes and schedules and begin a marketing campaign. While Wanda is adamant that she must set

everything up just right the first time around, she feels time is of the essence. She knows she doesn't have a second chance, and she doesn't want someone else to take her idea and run with it before she gets a chance. "I would have probably started my business when I first left Wells Fargo, but I was scared. I wasn't so sure how to go about doing things and feared—that someone with more capital would just come in and slam it right from underneath me." Wanda is hoping all her painstaking planning will give her a competitive edge, but she fears that waiting too long may prove to be an impediment to success.

Another challenge she is facing is financing her business. She has saved money for her start-up costs and has been able to progress further with the help of an Individual Development Account (IDA), started through a referral from Women's Initiative. She's sure, however, that she would have started much sooner with access to funding: "One of my problems was the funds. While I was at the training, I actually started working at the post office so I could build up my capital, and I was able to get a van and get all this other good stuff, like my office furniture."

Wanda's own experiences of visiting her son in prison are what led to her business idea. She recounts, "I had family members that have been incarcerated, and I would visit them, and saw that other people were having problems getting to the prison facility. That's when I decided, maybe this is something I could do." She saw the shame and confusion that relatives of prisoners experience when they attempt to visit their loved ones, and she wanted to help ease a difficult situation. "It was a surprise to me. I remember the first time I ever went to visit someone in prison. You have to wear certain clothing—you don't know all the different rules you have to go through in order to visit the person."

She herself held some incorrect preconceptions about the relatives of inmates when she first visited her son:

I guess I didn't expect... they would be professional people, working people. Just because their mate was in prison, you'd think, 'well, that person is just as bad, or in the same category.' I guess I had got a different picture than society had placed on people who were incarcerated. You would think just because the person was incarcerated the whole family was bad, and that's not the case.

Her business plan includes providing transportation for visitors to and from state and federal prisons in California, providing instructions on prison rules and protocols, and, eventually, childcare for visitor's children and assistance services for recently released prisoners:

Basically, I would like to be able to provide information on all the programs the State of California offers the inmates when they get out, so many of them do not know anything about it. Their families do not know anything about it. I would like to be able to help them, so that once they get out, instead of ending up going back into prison, they would have a better opportunity to get skills, or if I could help them when they get out. I would love to be the person that they could contact.

Wanda plans to start out with more limited services:

It's called Wanda on Wheels, and what I would be doing is picking up people in Oakland, for now—in the future I may be in all of California but for now my customers will be people in Oakland-and pick them up at their home or a designated place-because they may not want anyone to know that they're going to the prison. So I'll try to make it more comfortable. I will take them to the prison facility and return them. The experience I had at one point was that Greyhound had gone on strike, and you didn't know when the bus was going to show up. They would take you to the facility that was maybe closed on certain days, and from there you had to figure out how you were going to get to the prison facility. The majority of the prison facilities do have transportation from the visitor's center, but if you're not familiar with that, you don't know how you're going to get to that prison facility.

Wanda counts on the support of her family and Women's Initiative to help make her goals a reality. She also would like to provide a livelihood for her children from her business:

Well my family pretty much always supported me, and they can't wait until I open my doors. I have support from my mom [and children] because they know that I'm the type of person who, even if it takes a long time, is going to at least give it a try. I can say with this business that I have tried everything, and if it doesn't work it's not because I didn't do my homework. They give me the support to go ahead and do it, and closer to my dream than ever.

Women's Initiative

For Self Employment

Case Study

Melissa Scott **Clothing Designer**

One Year after Graduation

Taped to Melissa Scott's bathroom mirror on a small index card is a Chinese proverb: *Fear not going slowly, fear only standing still.* Indeed, 26-year-old Melissa has taken this adage to heart while developing her own fashion design company. Each day, she makes a point of learning something about the industry, reading fashion magazines, sketching designs and writing down ideas. When she is ready to establish her business formally, she can dive right in. With business classes from Women's Initiative and support from family and friends, Melissa is well on her way.

While her extended family lives in Louisiana, Melissa, her brother and her sister were born and raised in Milpitas, a suburb of San Jose. Her father worked in the telephone industry and her mother held various retail jobs. After she graduated from high school, Melissa attended community college, majoring in design. Before and during college, Melissa worked in jobs that enabled her to explore design career options: a framing store where she used her creativity to select colors and mats for prints, as an office assistant for a handbag company, and as a clerk in a hat company. After graduating with an Associate of Arts degree, she worked in production at Mervyn's and then at a young girls' dress company in Oakland. Initially she wanted to specialize in graphic design, but chose fashion design because it provided more creative freedom.

By chance, she noticed an advertisement for a scholarship to a fashion design institute. Melissa applied and was awarded partial funding, so she decided to pursue the opportunity. However, even after completing fashion school, it was difficult for Melissa to secure a fulfilling position in the industry. She learned that aspiring designers started out by working as assistants for established designers; only after many years in the industry would they have the opportunity to design their own clothing lines. Furthermore, it was difficult even to get that start as an assistant without some kind of "in" within the industry. Lacking such connections, Melissa decided that forming her own company would enable her to start designing right away.

She signed up for Women's Initiative's *Managing Your Small Business* class to help her plan her business. Before she came to Women's Initiative, Melissa had only a vague idea of what was necessary to run her own business. She found that the *Managing Your Small Business* class greatly clarified and focused her vision:

I don't think I really even had a clear idea of what I was going to have to do to start my own business before I came to Women's Initiative. It was just an idea at that point. How to get started, what I needed to do, even thinking about the other aspects of running my own company: these were all in my head, 'Well, I want to have my own company so I can be the designer,' that's all I had in my mind: 'Well I'm going to get to design.' I wouldn't have thought about having to do my own books, my own marketing. It just wasn't even in my mind at that time. [Women's Initiative brought] me back to reality on that.

With her new-found clarity, Melissa decided to concentrate first on women's designs, to establish a reputation, and then move into men's wear, where she eventually wanted to focus. She chose to develop only one or two items at first, to allow customers and stores to become familiar with her work before she expanded. She found a storeowner who agreed to carry her first designs and feature them in his store window display, and she began to work on designs for this endeavor.

Melissa also learned what was required to start her own label. She collected the various permits, investigated zoning regulations, designed several patterns and purchased sample fabric. She encountered a roadblock, however, when she realized that she did not have a registration number, which is required to sell clothing. This was one obstacle that would prove difficult to overcome: receiving a registration number requires taking a test, mailing the results and paying a hefty fee for the actual number. By the time she jumped through all the hoops, she would

have missed her selling season. Melissa decided to save the money and follow the procedures the next year so she would be ready to sell a collection for the spring season. In retrospect, she is satisfied with her decision not to embark on self-employment immediately:

Well, I do think when I first started I was probably in the mind frame thinking it was a race against something. I needed to have this done by a certain time or I was a failure. If somebody asked me what are my goals within the next year or the next five years, [I would have said] 'Oh, well, to have been in business for four and a half years,' really unrealistic. I need to know that even if it's taking longer than I would like, in the long run that might be better because I have more time to stay focused, to be able to think about what I'm doing, and just be able to work at my own pace to where I'm not messing things up as I'm going along just because I'm trying to be quick about it. I'm not racing against anybody. If it takes me ten years, then that's just the way it was supposed to happen to be successful.

Melissa realized that making her business idea become a reality is a slow process. She set a more realistic goal for herself: within the next five years she would put something on the market. In the meantime, she has been working in production at Levi Strauss Company to learn about all sides of the designing process. With this knowledge, she will be better positioned to succeed in her own business:

What I was looking to do, to get into design right away would have been great, but like I said it's really difficult, and also knowing that I wanted to start my own business, I figured that I need to learn as much about running the company in all aspects instead of just design, so that way I can make mistakes on other people's dime learn how other people do it—big companies, small companies—how they run their production, learn about ordering fabric and sundries and forms needed. Even now, working in the pattern department, I'm getting a good idea of how to do patterns more than one way.

Melissa continues to take the initiative to pursue her business idea. She still meets with classmates from her Women's Initiative class twice a month for support and advice. Her sister, who is also attempting to start her own business, is another base of support. Melissa has also become more realistic about what she wants out of self-employment:

[The money is] nice. I can have my things out in the store and people come to me who want to buy, but it's not enough to where I can live off that, it's not a big deal. I still have to keep my full-time job or maybe I can knock it down to part-time, but I have to have another job just to be able to do what I love. It's not going to make me feel bad, or that I failed. As long as there's somebody who is wanting to continue to buy because they like my designs, that's what it is for me, just knowing that there's people who enjoy what I do.

Melissa has proved that she clearly understands what is involved in selling her own designs. It is this focus and determination that will shape her success in the future. She has traversed a difficult path to get this far, but for Melissa, the end result will be the ultimate reward:

I haven't actually gotten as far as having the gratification of, 'Look in the store window! That's mine! I did that!' or walking down the street, 'Look they're wearing my coat! That's mine, I did that!' so I'm sure once I get that far, and the first time that I'm walking down the street and I hear somebody say, 'That's a Melissa Scott! That's a Melissa Scott!' it will be well worth it.

One and a Half Years after Graduation:

I think I've gotten to the point where I'm wondering, is this something I really want to do? Not only just the everyday aspects of running your own business but then all this additional stuff, like trying to get things taken care of: the licensing and the numbers and everything—it's just additional work that I'm not really into. All the stuff I don't really want to do outweighs the creative aspect. Do I really want to go through all this to get this small little portion of what I want?

After being an enthusiastic student of Women's Initiative, and working on planning her business full-time for a few months after class, Melissa Scott is putting her business on hold. Her decision takes into account several issues: she lost the safety net she was counting on during the start-up phase; she is in the process of looking for rental housing in one of the tightest markets in the United States; her job at Levi Strauss is tenuous due to funding issues; and her industry lacks a mid-level entry point—there is little middle ground between making it as a famous designer and working production for a clothing company.

During the early part of 2000, Melissa did accomplish many of the preliminary steps to starting her business as a small clothing designer. She did research, spoke with other designers, and secured her business license. She was working on getting the special license required of clothing manufacturers. She had also begun to network with shop owners who could carry her clothing line. But the closure of her favorite boutique in San Francisco where she had planned to market her clothing, coupled with the difficulty of securing the proper licenses while working full-time were daunting:

I spent a lot of time at the library last year the first few months trying to get all this information. I thought I had everything, but certain things come up and I have to look them up later. I'm just not finding anything. On occasion it would be nice to be able to find somebody who knows what I'm looking for and can give me information on that.

Another impediment to moving forward was the doubt Melissa felt about the viability of her business. "If I could be sure that I was going to sell, and I was going to be able to produce more, I'd probably be a little more secure." Melissa felt her biggest challenge was the lack of non-loan funding available for her business. In her tenuous financial position she just wasn't willing to take on loans she wasn't sure she could pay back: "I think the obstacle is pretty much the money, and unless there's somebody out there who's going to reach into their pocket and say here's the money, what else could have helped me more? [...] Just the thought of another loan—I'm still going to be paying off my student loans until 2006, and so just the thought of money that I've still got to pay back scares me." Unfortunately, in order to start a business, taking on at least some financial risk is a must.

Without start-up funding—nearly impossible to come by in her industry—Melissa considered moving back in with her parents to save money between business start-up and profitability. But her parents decided to move to Louisiana; at the same time, Melissa's sister (and roommate) became engaged and will soon move out of their apartment. With these developments, fears about her survival have crowded in on Melissa:

Money was already an issue, but I think before at least there were a couple of safety nets. My parents lived in the South Bay, and I live with my sister. The rent wasn't a big deal. I split it with her and my expenses weren't ever as high as they are now. But my parents have sold their house, so that was a big thing. My sister ...[is] going to be moving in with her new husband in June, so I'm either going to... find my own place, some place that's not really pricey, or stay where I am. I can get a studio for fifty dollars less than what I'm paying for this two-bedroom apartment. There's going to be a lot of extra things that I'm not paying for now that I'll have to pay for in addition to more rent. I can't go to my parent's house to do laundry, so I'll have to pay for that now. Not being able to go back home, I'll probably be in a situation where I'll be in debt, and then I'll have to pay it off. Then where will I be? I may just have to sell everything and move to Louisiana!

In spite of these difficulties, Melissa still believes she will start a business in the future, and she credits Women's Initiative for giving her the confidence to even consider the possibility:

Something that surprised us most about taking the class—and it was just so surprising to me—is that you don't have to be some rocket scientist to figure out how to run a business. All the information that I got from the course was really great, and I probably

wouldn't have thought about it because I would have been thinking, well, there's no way for me to have my own business if I hadn't gone through the course.

Melissa's thoughts about accomplishing her goal of having her own clothing design company tend towards the longer term now:

What I'd really like to do is start up an account that's just money for my business so I have a savings account, and when I'm thinking about it, after I pay my rent check, I'll take, like fifty dollars and just put that in. If I could just take a certain amount from my work check every time I get paid, and put it in there, I'd have it earn interest. I could even invest it somewhere and have it grow slowly on it's own. I think, for me, that would be the idea. I just don't have any interest in owing people thousands of dollars.

Melissa is still in the garment industry, working in the pattern department at Levi Strauss.

Although she likes her job and hopes that soon she will be able to move from a temporary contract position to a permanent position, Melissa's career path hasn't turned out exactly the way she planned. Despite the many challenges Melissa faced, however, the likelihood of continued work in the garment industry is high and Melissa remains optimistic about starting a business. Melissa says, "[I am] just waiting to have the money on my own."