

MICROBUSINESSES, GAINFUL JOBS

Luz I. Gomez
and Tamra Thetford
with Joyce Klein



FIELD
at the Aspen Institute

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Acknowledgements

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Finally, we extend our sincerest appreciation to the individuals who participated in interviews and shared their experiences with us. They spoke candidly about both the benefits and the challenges of their jobs and provided a valuable window into what working for a microbusiness can be like. For this and for giving generously of their time, we heartily thank them.

INTRODUCTION

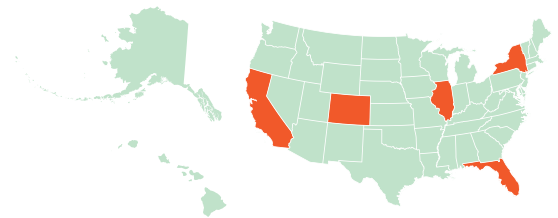
Do microbusinesses create good jobs?

Certainly, small businesses, including microenterprises, have played a critical role in creating jobs for the U.S. economy. According to the Association for Enterprise Opportunity, the trade association for U.S. microbusiness development organizations, there are 25.5 million microbusinesses in the United States, which collectively employ 31 million people.¹ Recent FIELD research also illustrates the role of microbusinesses in job creation: A 2012 study that examined the outcomes of 1,757 clients of microenterprise programs found that their businesses generated an average of 1.8 jobs for workers in addition to the owner. Fifty-three percent of these jobs were part time, and 46 percent were full time; 54 percent paid wages that exceeded the threshold for low-wage work. Moreover, a cost-benefit analysis for microenterprise programs illustrates their cost-effectiveness as an economic development strategy.²

Still, such statistics provide only a partial picture of the quality of the jobs created by microbusinesses. To what extent does income from these jobs contribute to household economic security? What benefits do the jobs offer in addition to pay? Are workers happy in these jobs and, if so, why? To begin to answer these questions, FIELD conducted a qualitative study that explored many aspects of job quality.

ABOUT THE STUDY

The study is based on 104 in-depth interviews with a varied set of employees of microenterprises in five cities. It was conducted in two phases: in December 2013 (in New York and Miami) and between January and March 2015 (in Chicago, Denver and San Diego.) Each microenterprise that employed the workers had received a microloan from Accion during 2012 or 2013. FIELD worked with Accion staff in New York, Miami, Chicago, Denver, and San Diego to select a diverse pool of microenterprises by considering industry, number of part-time and full-time paid workers, business age, and the gender and ethnicity of the business owner. In describing the experiences of these workers, FIELD has changed their names to maintain their privacy.



The findings from the first phase of interviews in New York City and Miami were largely confirmed and, in some cases, amplified by interviews in Chicago, San Diego and Denver.

FIELD updated the initial findings with information drawn from the complete set of 104 interviews and expanded the “creating opportunity for those who struggle most” theme that begins the case study section of this report. A section was added to the end of this report that describes the experiences of millennials, who comprised 64 percent of the 104 interviews.

1 See Association for Enterprise Opportunity, *The Power of One in Three* summary, accessed June 29, 2015. http://www.oneinthree.biz/documents/OneInThree_WebBrochure.pdf

2 See Appendix A, Microenterprise by the Numbers, for detailed client outcomes data and information on microenterprise cost and benefits calculations.

What makes a job “good”?

Ask a worker in America what a good job is, and she or he will likely begin by describing work that provides a wage and benefits that enable her to care well for a family. Labor market researchers have suggested that a minimum threshold for decent pay—that is, pay that moves a person above low-wage work—is two-thirds of the national median wage.³ In 2010, that threshold was at least \$11.73 per hour.⁴ Recent years have seen a national discussion regarding raising the federal minimum wage. A few cities, such as Seattle, Chicago, San Francisco and Washington, D.C., have enacted legislation to slowly ramp up minimum wages—to levels ranging from \$11.50 to \$15.00. Additionally, several large employers have raised starting hourly wages because of competitive pressures, evidence of higher performance among better-paid workers, and pressure from labor groups.⁵

In addition to wages and benefits, other dimensions make a job good. In this research, FIELD uses an expanded notion of job quality posited by the Aspen Institute’s Economic Opportunities Program together with the Paraprofessional Health Institute (PHI): job elements that *raise the floor and build a ladder*.⁶ Good jobs raise the floor by enabling workers to achieve a basic level of economic stability—for example, through decent wages and benefits, consistent scheduling, well-structured work responsibilities (job design), safety at the workplace, a mutual sense of fairness and respect, and two-way communication with managers. Good jobs also build a ladder. That is, they

help workers advance through gaining skills and relevant work experience. The research also examined additional elements of job quality that are part of the definition of “gainful employment” identified by the field of positive psychology. These elements include deriving a sense of purpose in providing a product or service, happiness and satisfaction, engagement and involvement, and companionship and loyalty to coworkers and company in the workplace.⁷

Raise the Floor and Build the Ladder



³ Not all labor market researchers agree with this standard for a low-wage threshold. Nor is this threshold necessarily the same as a “living wage” that covers basic family expenses without reliance on social assistance.

⁴ Steven Greenhouse, “The Challenge of Creating Good Jobs,” *New York Times*, September 7, 2011, accessed June 29, 2015, <http://economix.blogs.nytimes.com/2011/09/07/the-challenge-of-creating-good-jobs/>

⁵ Annie Gasparro and Eric Morath, “McDonald’s Joins Trend in Raising Pay,” *The Wall Street Journal*, April 1, 2015, accessed June 29, 2015, <http://www.wsj.com/articles/mcdonalds-to-raise-hourly-pay-for-90-000-workers-1427916364>

⁶ Steven Dawson and Maureen Conway, *Build Ladders and Raise the Floor*, (New York: PHI and Washington, DC: Aspen Institute, April 2014), 2-6.

⁷ C.R. Snyder, Shane J. Lopez and Jennifer T. Pedrotti, *Positive Psychology: The Scientific and Practical Explorations of Human Strengths* (Thousand Oaks: Sage, 2011), 418-422.

What makes a job not so good?

Not only do the wages for low-quality jobs rarely meet household needs but often they also are characterized by poor benefits (including retirement plans, health and disability insurance, and paid vacations), unstable schedules, workplace inflexibility, and limited if any access to training and education. As a result, many workers are stuck in the world of low-wage, low-quality work with little access to ladders of opportunity and career advancement.

Unstable work hours are a growing concern as companies seek to cut labor costs by using more part-time workers.⁸ The Institute for Workplace Innovation found that half of low-wage hourly workers have nonstandard schedules and are hindered by rigidity, unpredictability and instability.⁹ Changes in hours from week to week and little advance notice of shifts make it difficult for workers to manage child care, attend classes, or look for additional work to supplement low wages.¹⁰ Businesses may benefit from work arrangements that offer them the greatest latitude in matching staffing to market demand, but such arrangements lessen workers' ability to manage their lives and family responsibilities. Labor researchers argue that

unpredictable hours and schedules that change from week to week exacerbate financial instability because workers cannot plan or save money.¹¹ Both the U.S. Financial Diaries project and the Pew Charitable Trusts' Economic Mobility Project have found that, if given a choice, most households would prefer more stable finances than a move up the income ladder.^{12,13} Low-wage workers greatly benefit from predictable scheduling, advance notice of scheduling, and a say in scheduling.¹⁴

Across the income spectrum, the trend toward part-time work reduces workers' access to benefits, including retirement benefits, paid vacation and paid sick days. According to the U.S. Bureau of Labor Statistics, approximately one in three American workers (an estimated 40 million people) lack paid sick leave.¹⁵ A recent Oxfam America study found that one in seven low-wage workers (14 percent) reported losing a job in the past four years because of getting sick or caring for a child or parent.¹⁶

8 Jodi Kantor, "Starbucks to Revise Policies to End Irregular Schedules for Its 130,000 Baristas," *The New York Times*, August 14, 2014, accessed June 29, 2015, http://www.nytimes.com/2014/08/15/us/starbucks-to-revise-work-scheduling-policies.html?_r=0

9 Liz Watson and Jennifer E. Swanberg, *Flexible Workplace Solutions for Low-Wage Hourly Workers: A Framework for a National Conversation* (Lexington: IWUN, University of Kentucky, May 2011), 5.

10 Marilyn Geewax, "Part-Time Workers Say Schedules Are Getting More Erratic," *NPR*, July 18, 2013, accessed June 29, 2015, <http://www.npr.org/2013/07/18/202744981/part-time-workers-say-schedules-are-getting-more-erratic>

11 Anna Danziger and Shelley Waters, *Lower-Wage Workers and Flexible Work Arrangements* (Washington, DC: Urban Institute, July 10, 2008), 4.

12 Joanthan Morduch and Rachel Schneider, "Spikes and Dips: How Income Uncertainty Affects Households," *U.S. Financial Diaries*, 1.

13 "Economic Mobility and the American Dream—Where Do We Stand in the Wake of the Great Recession," Pew Charitable Trusts Economic Mobility Project, May 2011, 2.

14 Danziger and Waters, 4.

15 U.S. Bureau of Labor Statistics, Economic News Release, Table 6. Selected paid leave benefits: Access, National Compensation Survey, March 2014, accessed June 29, 2015, <http://www.bls.gov/news.release/ebs2.t06.htm>

16 "Hard Work, Hard Lives: America's Low-Wage Workers." Hart Research Associates for Oxfam America (August 2013), accessed June 29, 2015, http://www.oxfamamerica.org/static/media/files/Hart_Low_Wage_Workers_Report.pdf

How “good” are these microenterprise jobs?

Given these aspects of job quality, how good are the jobs at the microenterprises in this study?

Our research indicates that some jobs both raise the floor and offer ladders to advancement. Others offered some aspects of each. Many jobholders in this study described positive work environments that offered meaningful work, income stability, work flexibility, the opportunity to build skills, and a launching pad for career development. In some instances, the workers valued these aspects of their jobs, which support family life and educational advancement, more highly than higher wages.

Two-thirds of workers believed there are growth or advancement opportunities within the businesses. Additionally, many microenterprise jobs in this study provided employment opportunities for those who experience significant challenges in the labor market, including immigrants, seniors, younger adults entering the workforce and those without college degrees.

This report begins with a data profile of the workers interviewed, the jobs they have held, and the businesses that employed them. The core of the report describes key themes that emerge from the interviews, using case studies that shed light on the diverse and often complex notions of job quality produced by microenterprises.

KEY ASPECTS OF GOOD JOBS IN MICROENTERPRISES:

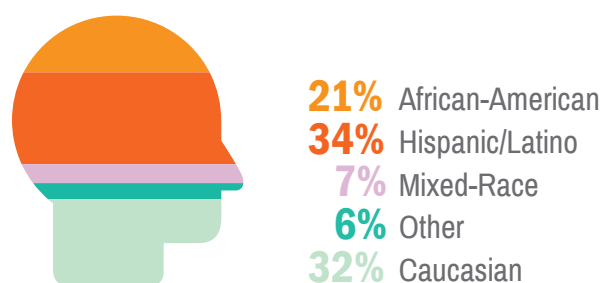
- Opportunity for those who struggle most
- Stability and flexibility
- Skills development and growth opportunities
- A supportive work environment
- Meaning and purpose
- A launching pad to the next phase

A statistical profile of the microenterprise employees

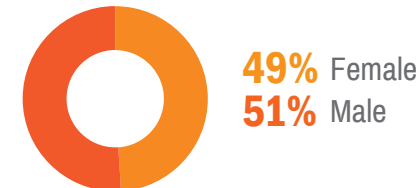
The microenterprise workers interviewed were ethnically diverse and balanced in terms of gender. Slightly more than half of the group was 30 years old or younger. Thirty-one percent had at least a college degree, 28 percent had a high school degree or only an elementary education, and

42 percent had some post-secondary education (but less than a bachelor's degree). The workers largely had tenures of a few years with their employers. Almost one-third were immigrants and 17 percent received public assistance.

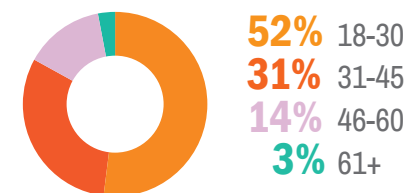
Race and Ethnicity



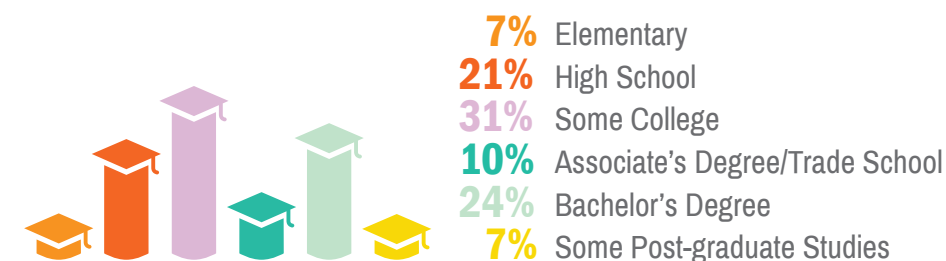
Gender



Age



Worker Education



Years Working at Business



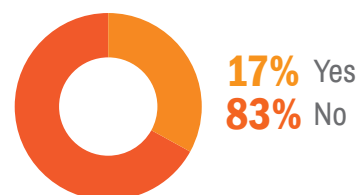
Immigrated to the US?



Household Size



Receiving Public Assistance?



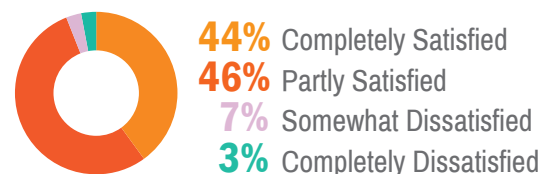
A statistical profile of the microenterprise jobs

Wages

The workers interviewed for this study had a median hourly wage of \$12.50 and an average hourly wage of \$13.46. Three workers also earned tips or commissions. (They did not reveal the amount of that compensation.) To put these wages in context, the five states in which FIELD conducted interviews had minimum hourly wage rates above the prevailing federal minimum hourly wage of \$7.25. Ninety-four percent of employees interviewed had hourly pay rates above their state minimum wage levels.¹⁷

Almost half of the workers reported hourly wages that exceeded \$11.73, the threshold to exceed low-wage work.²⁰ Sixty-three percent of workers had wages at or above \$10.10 an hour, President Obama's proposed increased federal minimum wage. Close to half (44 percent) said that they were "completely satisfied" with their wages. Repeatedly, interviewees stated a willingness to accept the level of wages and benefits they were receiving in return for other job attributes they valued.

Wage Satisfaction



Median Household Incomes¹⁸



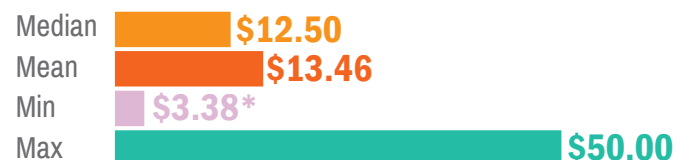
Annual Job Compensation



Minimum Wage Rates¹⁹



Hourly Wages



* base wage for restaurant worker.

¹⁷ The remaining six percent of employees had hourly pay rates at their state minimum-wage levels.

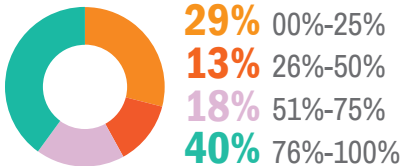
¹⁸ County-level data accessed from the U.S. Census Bureau, accessed June 29, 2015, <http://www.census.gov/quickfacts>

¹⁹ State minimum-wage data accessed from U.S. Department of Labor Web site, accessed June 29, 2015, <http://www.dol.gov/whd/minwage/america.htm>

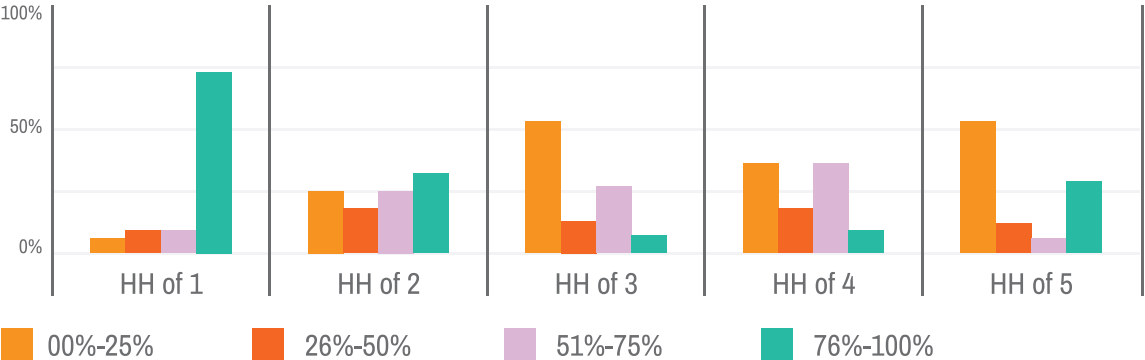
²⁰ All 2013 and 2014 hourly wages were converted to 2010 dollars before comparing to the 2010 low-wage threshold of \$11.73. FIELD staff confirmed this approach via email with Dr. Paul Osterman, who created a low-wage threshold based on the 2010 Current Population Survey Outgoing Rotation Group dataset.

Earnings from these jobs contributed substantially to household income. Fifty-eight percent of the workers noted that their salaries contributed more than 50 percent of total household income. While this group tended to be in one- to two-person households, workers in households of three to four people also reported that their wages covered significant portions of household expenses.

Contribution of Job to Household Income



Contribution of Job to Household Income by Household Size



Benefits

Only 34 percent of workers in this study reported receiving paid time off. U.S. Bureau of Labor Statistics (BLS) figures for 2013 indicate that 53 percent of service employees in private industry received paid holidays.²¹

An even smaller percentage (13 percent) of the employees interviewed received health insurance through their job—although several noted that their employers were looking into how the Affordable Care Act would affect their future coverage. To put this figure in context, a 2012 study noted that during the past decade, the share of U.S. workers in

small firms (fewer than 50 employees) who were offered and eligible for health insurance fell to less than half of employed workers.²² Most workers in this study did not receive paid sick leave. However, they all noted they can take days off for personal reasons or due to illness without fear of losing their jobs. Some even noted an informal benefit policy that allowed them to receive pay for time they took off for sickness. According to the BLS, an estimated 40 million American workers have no paid sick leave; another study reports that one in seven low-wage workers (14 percent) reported losing a job in the past four years because of getting sick or caring for a child or parent.²³

Paid time off?



66% No
34% Yes

Health Insurance?



87.5% No
12.5% Yes

Other formal benefits?



95% No
5% Yes

21 U.S. Bureau of Labor Statistics, Economic News Release, "Employee Benefits in the United States—March 2013," accessed June 29, 2015, <http://www.bls.gov/news.release/pdf/ebs2.pdf>

22 Ruth Robertson, Kristof Stremikis, Sara R. Collins, Michelle M. Doty and Karen Davis, "Jobs Without Benefits: The Health Insurance Crisis Faced by Small Businesses and Their Workers," *Issue Brief (Commonwealth Fund)*, November 2012): 1-24.

23 Oxfam America, *Hard Work, Hard Lives*, 2013, accessed June 29, 2015, <http://www.oxfamamerica.org/static/media/files/low-wage-worker-report-oxfam-america.pdf>.

Occupations

The diverse types of job held by workers clustered in personal care, serving occupations, and sales and food preparation.

Occupational classification



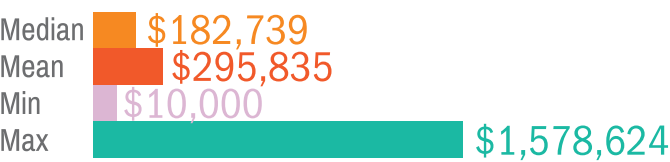
A statistical profile of the microbusinesses

The microbusinesses employing the workers in this study were generally well established and generated annual revenues averaging almost \$300,000.

Microbusiness Age

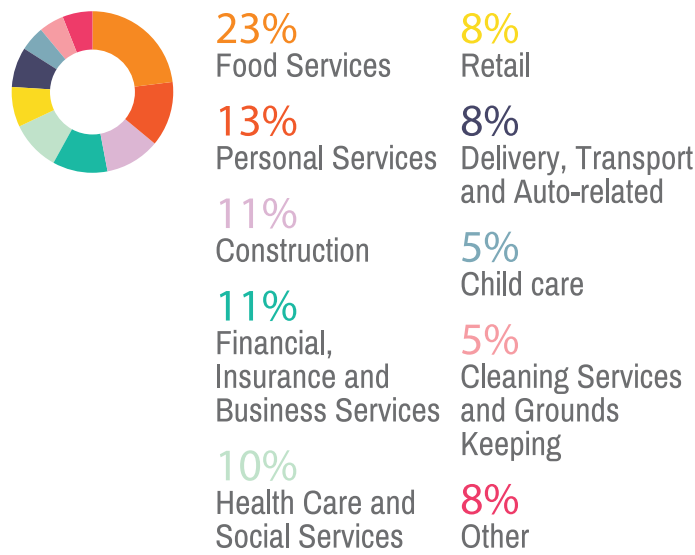


Microbusiness Revenues



The microbusinesses reflected a diversity of industries.

Microbusiness Industry



IN THEIR OWN WORDS

The statistical profile of the jobs held by the workers interviewed in this study paints a mixed picture of their economic value. Slightly more than half fall below the low-wage threshold. However, when asked about their jobs in relation to the broader definitions of job quality—in terms of raising the floor, building ladders, and gainful employment—the workers generally described their jobs in positive terms.

The following sections summarize the interviewees' experiences in and perspectives about their jobs. To understand the role these jobs play in the workers' lives requires viewing the employment not only in its current context but also in relation to past work experiences. Workers spoke of leaving previous jobs because of stressful work environments, a lack of respect from company managers or monotonous, narrowly focused tasks. Many workers also spoke of the small business as an entrepreneurial training ground, preparing them to operate their own small business. Most workers made tradeoffs when they chose a job. The case studies illuminate the reasons why these workers largely believed the small-business jobs to be good choices.

PHASE TWO RESEARCH HIGHLIGHTS

This section expands the focus on findings related to “creating opportunity”—the experiences of workers who **struggle most to find good job options in the labor force**.

FIELD also has added a special analysis on **millennials**, exploring the experiences of younger workers **using microbusiness employment as a launching pad** to the next phase in their careers.

Creating opportunity for those who struggle most

Immigrant DREAMers. People with disabilities. The formerly incarcerated. Mothers trying to keep resumes relevant. Seniors. Workers without college degrees. Myriad factors can impede workers' efforts simply to secure good jobs, let alone handle the demands and constraints of many work environments.

The concept of "gainful employment" includes a work environment that respects and appreciates diversity. The microenterprises in this study provide opportunities for individuals who may otherwise face difficulties accessing good jobs. Research from the Small Business Administration supports this finding, noting that "small firms also tend to fill niches in the labor market that are underserved," such as Hispanics, individuals with low educational attainment, and young, old, and rural workers.²⁴

The stories here illustrate how microbusinesses can help those with unique challenges enter the job market, develop skills and networks, and gain solid footing for future endeavors.

Seniors

CARMEN | CHILD CARE WORKER |

Sixty-five year old Carmen says that at her age, she needs to keep busy and keep learning things or she will start to fade. Her work as an assistant and the cook in a home day care is one of many careers she has held. She emigrated from the Dominican Republic more than 30 years ago, and went from being a garment factory worker to owning several small businesses, including a women's clothing manufacturing company in Manhattan's garment district and a restaurant in Santo Domingo. After a divorce, she spent time living with her daughter in Florida, where she always held at least two jobs, such as working full time at a deli and cleaning houses on the side.

She had difficulty in finding steady work when she moved back to New York, a fact she attributed to her age. Before finding her current job through a family friend, she engaged informally in babysitting and private elderly home care. To secure her current job at the day care, she had taken a 15-hour course (which her employer paid for). She said that she had thoroughly enjoyed the additional training because it kept her learning and provided access to a stable job.

"I feel good. I feel self-actualized (realizada) because at my age it is not easy to find work. So I feel useful, and I like to have my day full."

- Carmen

CHARLOTTE | OFFICE WORKER |

Charlotte also had a difficult time finding work at her experience level, after losing her job as an assistant vice president at the bank where she had worked for 32 years. While she makes dramatically less money working at a multiservice company (processing taxes, Western Union, applications for insurance and other miscellaneous services), her job helps to supplement her retirement income and keeps her busy. She is also using a completely new set of skills in providing these services. She notes the best thing about the job is meeting new people and interacting with customers, something she was never able to do at her former back-office job at the bank.

"I looked for a time but I was sorry I didn't pursue it. When I left I was almost 60, so I thought at that time they didn't want to hire people my age. That's why I didn't continue to look (in the banking industry)."

- Charlotte

24 Brian Headd, "An Analysis of Small Business and Jobs," *Small Business Association Office of Advocacy*, March 2010, 6, accessed June 29, 2015, <https://www.sba.gov/sites/default/files/files/an%20analysis%20of%20small%20business%20and%20jobs.pdf>

Immigrants and DREAMers

ALEJANDRO | PROJECT MANAGER |

Alejandro is a well-educated software engineer from Colombia who immigrated to the United States three years ago. Through his network at home, he was able to find work as a project manager at a small digital marketing company serving Hispanic businesses in Queens. Although he is making less than he was making in Colombia, he believes he is fortunate to have established a foothold in his field in the United States, and that there is opportunity for growth at this small enterprise. His belief that the microbusiness provided a foothold was echoed by several of the recent immigrants interviewed for this research. Although they came with a wide array of educational and work histories, these first jobs have eased their transition to work in the United States.

“I felt frustrated back home in my previous job. I didn’t have a way to advance... (with this job) I’m gaining experience, American experience”

- Alejandro

An estimated 1.7 million young immigrants fall into the category commonly referred to as “DREAMers,” which refers to undocumented immigrants who arrived in the United States as children.²⁵ Although they grew up and attended school here, many experience severe economic hardship as adults. Lacking formal status, they find it difficult to pay for college, particularly where in-state tuition is not allowed for non-legal residents. Securing stable and legal work is also a challenge—with or without a college degree.

SAMIR | ACCOUNTANT |

At 32, Samir barely qualified for the age threshold to apply for the Obama Administration’s 2012 Deferred Action for Childhood Arrivals (DACA), which would provide her with a renewable work permit and exempt her from deportation. Until then, she had relied on tenuous temporary work visas, which did not qualify her for financial aid. College was out of reach financially, especially once she started a family. For many years, she worked for a large manufacturing firm, performing a variety of office and customer-service tasks. She decided to leave because of the difficult work environment and because she lacked flexibility in her schedule to pick her daughters up from school.

Samir had not expected to get into accounting but found a job at a small but growing tax preparation shop in Melrose Park, a suburb of Chicago. She realized she had a knack for accounting and that she was learning valuable, transferable skills. After starting as a receptionist, four years later she is responsible for bookkeeping and for business clients who have more complicated tax needs.

Her boss, a certified public accountant, has urged Samir to think of her work as a career, not as “just a job.” In addition to teaching her tax and accounting skills, he encouraged her to go back to school; she will receive her accounting certificate in the summer of 2015. And, because the classes relate to accounting, her employer pays for them. This assistance has been critical because Samir says she does not yet qualify for student aid despite her status under DACA.

Although the tax industry is demanding, Samir can better manage her family obligations now that she has an understanding boss and a family-friendly work environment. On days she stays late, she can pick up her daughter after middle school and bring her to the office to do homework—something unheard of at her previous office job.

However, the benefits of her employment go both ways, as Samir emphasizes. After years of building this business and with no one else to leave in charge, her boss trusts Samir’s management skills enough to take a month-long vacation while Samir ensures the office functions smoothly.

25 Jeffrey S. Passel and Mark Hugo Lopez, “Up to 1.7 Million Unauthorized Immigrant Youth May Benefit From New Deportation Rules,” Pew Hispanic Center, August 14, 2012.

“I think small businesses struggle with keeping good employees within the firm because they cannot offer them benefits like 401k or health insurance ... so I think they compensate for that. For the longest time, I didn’t have anyone to pick up my daughter from school and so [my boss] said, “Go ahead and pick her up and bring her here until your mom comes.” [That’s] something you wouldn’t be able to do at a bigger firm.”

- Samir

Workers with disabilities

AMARA | REPRESENTATIVE |

In Chicago, Amara, 29 years old, has cerebral palsy and uses a wheelchair. She has had two types of job since graduating from high school, both at small businesses. Originally interested in pursuing a career in nutrition counseling, she found the math and science increasingly difficult. She decided to take a break from coursework to figure out another line of work. A flair for communication led to jobs in sales, first at a copier company and now at a local liqueur company where she does promotional activities.

She is appreciative of the accommodations the copier company made, such as investing in voice recognition software for her to use to log sales calls. However, the sales commissions were too small to offset work-related travel costs. Indeed, finding the right employment fit is a common problem for workers with disabilities who are ready and willing to work. According to the Bureau of Labor Statistics, at 13.2 percent, the unemployment rate for individuals with disabilities is almost double that for those

without a disability. Individuals with disabilities are also more likely to work part time: 34 percent of workers with disabilities work part time compared with 19 percent of those without a disability.²⁶

Amara says the travel required for the promotional work she does now is a good fit. She is also invested in the company’s mission, which emphasizes hiring workers with special needs. The owner created the company for his adult son, who also has cerebral palsy, because of the challenges he faced finding good employment opportunities. The owner actively recruited Amara after meeting her at an event.

Amara travels to several events per week and works with other colleagues, offering tastings and talking about the fine liqueurs’ attributes. Amara says it is easy to become isolated without steady work and that this job gets her out of the house and interacting with people. While she would like to work more hours, she has discussed further growth opportunities with the owner, who recognizes her potential.

“Able-ism transcends all other kinds of discrimination. I know a lot of disabled persons who would love to have this job.... I’m active in the disabled community and there are so many of us that have so much to offer. It’s an untapped potential. They just aren’t given that opportunity.”

- Amara

26“ Persons with a Disability: Labor Force Characteristics Summary,” Bureau of Labor Statistics, June 11, 2014, accessed June 29, 2015, <http://www.bls.gov/news.release/disabl.nr0.htm>

The formerly incarcerated

The statistics are stark. By some estimates, the scarcity of job options for our nation's large population of ex-offenders lowers the national employment rate by almost one percentage point. Among male ex-offenders, who comprise an estimated 90 percent of ex-prisoners, lack of access to the job market lowers the national employment rate by nearly 2 percentage points.²⁷ Formerly incarcerated individuals who seek to reenter the workforce must overcome many challenges. These include limited skill development and gaps in job histories, negative stereotyping by employers, and a need to build credibility after struggles with substance abuse.

RUPERT | SALES AND MAEKETING |

After years plagued by addiction and several short prison stints, 37-year-old Rupert hit bottom, which he describes simply and powerfully as “I lost it.” Once clean and living in Chicago, his most important goal was earning enough to support himself and his four children. With a criminal record and limited job history, he floundered for a time seeking work in the moving industry, where he had at least some experience. His extended family became his lifeline. His god-sister and her business partner, also a close friend of Rupert's, decided to support him by leveraging his industry experience to create a small, faith-based moving business.

Rupert and the owners share a strong Christian faith and want to build a business that would honor their values of fairness, respect and second chances. Rupert believes that being part of this business, which he says enabled him to “keep God in the workplace,” keeps him off the drugs that had derailed his life.

The bet has paid off. The six-year-old business is thriving. The decent hourly wage (\$20) and full-time hours, together with the flexibility to take time off to care for himself and his family, affords Rupert opportunities previously out of reach.

“At the stage I was at then, it was really hard to find a job—or at least a job that would let me take care of four kids and take care of myself. This job gave me a chance to be part of something. And it's faith-based. I would not be in this business without faith.”

- Rupert

Low education level

Jobseekers who did not graduate from high school are at a keen disadvantage in the U.S. labor market, where college degrees are often a minimum requirement.²⁸ BLS data on unemployment rates and wage levels by educational attainment show that workers over 25 years of age without a high school degree have an unemployment rate of nine percent compared with five percent for all workers. Their median weekly earnings (\$433) were only 58 percent of those of all workers (\$839) and one-third lower than for those with some college but no degree (\$741).²⁹ Seven interviewees had not completed high school; all earned more than their state minimum wage and had median hourly wages of \$12.

GABRIEL | LANDSCAPER |

Temporary employment agencies abound in Chicago's Little Village, one of the city's largest Mexican neighborhoods. These companies provide many low-skilled immigrants with temporary jobs throughout the region, largely in manufacturing. However, an investigation by Propublica found that the fees charged for transportation to work sites, along with the unpaid waiting time while companies assessed their short-term labor needs, effectively dropped wages for some of these workers below the minimum wage.³⁰

27 John Schmitt and Kris Warner, “Ex-offenders and the Labor Market,” Center for Economic and Policy Research, November 2010: 2.

28 “Moving the Goalposts: How Demand for a Bachelor's Degree is Reshaping the Workforce,” Burning Glass, September 2014, accessed June 29, 2015, <http://burning-glass.com/research/credentials-gap/>

29 “Earnings and Unemployment Rates by Educational Attainment (2014),” Bureau of Labor Statistics, April 2, 2015, accessed June 29, 2015, http://www.bls.gov/emp/ep_chart_001.htm

30 Michael Grabell, “Taken for a Ride: Temp Agencies and ‘Raiteros’ in Immigrant Chicago,” Propublica.org, April 29, 2013, accessed June 29, 2015, <http://www.propublica.org/article/taken-for-a-ride-temp-agencies-and-raiteros-in-immigrant-chicago>

Gabriel got to know this system well over the four years he used these agencies. The 33-year-old arrived in Chicago from Mexico ready to work but he lacked skills, having the educational equivalent of elementary school and a work history as a laborer. The temporary agencies seemed a good option for getting a foothold in a large company. Gabriel mainly worked at packing facilities during that period. On top of the monotony of the factory work, the amount of work varied widely from week to week. Sometimes he worked an entire week or even two for a single company but only a few days other times. Often, he would wait the entire day without being placed in a job. Those days he went unpaid.

Increasingly unable to make ends meet and support his family, and realizing these jobs would never lead to full-time employment, he decided not to return to the temporary agencies. Family networks connected him to a small landscaping company owned by a Mexican entrepreneur who had been in Chicago for two decades.

Gabriel enjoys the variety of the day-to-day work and has learned new skills. The most dramatic change is that now he works with and learns from one boss; at the short-term jobs he held before, he worked for ever-changing supervisors of unpredictable quality. He thinks he will stay in landscaping but hopes to own his own business someday. Most important for now, he has steady hours and a decent income to support his wife and three children.

“I like it [landscaping] because at the factory it’s always the same, and when there is not enough work, they will send you home without pay. Here there are more possibilities to work and in a stable job with one boss.”

- Gabriel

BELINDA | CASHIER |

Belinda did not finish high school after immigrating to the United States as a teenager. Now 32 years old, she describes herself as very responsible and loyal. For 13 years, she worked at an independently owned fast food franchise in Chicago, moving up the chain to become general manager. However, the benefits were not generous despite her long tenure and seniority. She never received paid sick leave or vacation days.

What eventually pushed Belinda toward finding another job was that the owner kept the staff too lean, forcing her to work long, stressful days to cover the gaps. When she became pregnant with her first child, Belinda had had enough. Her brother-in-law had just invested in a small Mexican restaurant in Chicago and urged her to join him. She now works the register and takes care of minor administrative duties for the newly renovated restaurant. The job is much more manageable, there is a convivial spirit among the seven employees and everyone helps manage the flow of patrons. Although her financial goal is far off, she sees this experience as a potential avenue toward buying into her brother-in-law’s restaurant or starting her own. Given her extensive industry experience, the owners are open to her gradually taking on more responsibility. In the meantime, they will save her position for after she delivers her baby and takes some time off.

“In those moments when I asked for help, they [the fast-food company] didn’t support me. For three years, sales were rising, but they didn’t help me when I asked for more workers when we were really short staffed.... [At this small business] it’s a better work environment, you work comfortably.”

- Belinda

Stability and flexibility: the floor of a good job

Most interviewees reported that their jobs provide limited or no benefits, but some are willing to trade off these benefits in return for stable work schedules or flexibility. As noted, stable yet flexible schedules are key in managing work-life responsibilities, a balancing act that is particularly acute for low-wage workers because they typically lack any cushion to absorb financial setbacks.

80% of workers in microbusinesses say they have stable schedules. 87% say their schedules are flexible; another 13% say they are somewhat flexible.

A national dialogue is emerging on job-quality issues. It goes beyond raising minimum wages to include the importance of scheduling stability and workplace flexibility to manage work-life responsibilities. Some large employers, such as Starbucks and Wal-Mart, are beginning to make substantial changes to erratic scheduling practices. In addition to its planned wage increases, Wal-Mart is piloting an initiative that allows some associates to work a fixed weekly schedule and lets them sign up for open shifts on a first-come, first-served basis.

Most of the microenterprise workers reported stable schedules that enabled them to manage child care, maintain part-time work to supplement wages, or consider going back to school. Stability was important so they could balance various financial needs and personal responsibilities.

KIM | OFFICE WORKER |

Forty-five-year-old Kim is high energy, organized, and likes to keep busy—traits that served her well during the eight years she spent in the Air Force based out of Colorado. When deciding to start a family, Kim and her husband agreed she would stay home when the children were young, despite her higher military rank and pay. As their three children grew older, she began working nights as a server at restaurants. After a decade in that work—and after the children had grown—she went back to school a few years ago and completed her bachelor's degree.

Kim now has two years of administrative experience working for a small, privately owned K-5 charter school. Putting her organizational skills to use, she handles all the administrative details for the school, ranging from planning the bus schedule and managing support staff to acting as an all-around troubleshooter.

Transitioning to administrative work took some confidence building: she felt at a disadvantage with no recent experience on her resume. As a result, the greatest value she ascribes to her current job is not the money she earns or the skills she is putting to use but rather the confidence it has given her to move her career forward.

“I was sensitive about it [not making as much money]. When I first got out of the military, I outranked him [my husband]. But he’s good that I’m happy now. My goal was to get my degree. I sacrificed. I never planned to be a stay-at-home mom or wife and for him to travel a lot.... Sometimes it has to be that way. No regrets.”

- Kim

TINA | PROJECT MANAGER |

Twenty-six-year-old Tina has Kim's energy and organizational prowess, which she needs in order to manage her family responsibilities, a full-time job, and graduate school. The mother of two small children, she works as the supervisor of a small, start-up agency that connects caregivers with elderly or disabled adults.

Despite her youth, Tina understands the industry well. During college, she worked as a caregiver and then as an administrator for a large caregiving agency. This background has been a great asset in her current work. Although the owner had start-up capital, his English was limited and he lacked experience setting up this type of company in the U.S. Tina is central to the business's smooth functioning. She handles human resources, documentation, policy writing, intake, scheduling, and billing and payroll.

The missing ingredient in her previous administrative job was the flexibility to shoulder child-care responsibilities when her husband travels. Now, she has a stable schedule and the ability to work from home. She gets practicum credit toward her graduate degree by occasionally working for the owner's other company, focused on addiction counseling.

Tina realizes that she does not garner major financial benefits from her job, given day-care costs and her modest salary. However, the job responsibilities are valuable, and they help keep her resume current. It is of major importance to Tina to not have a substantial gap in her career while she is raising a family.

“A big frustration for me is that I have a lot of friends who are stay-at-home moms and when you're trying to get into a profession, they [employers] see this gap and that's what I'm trying to avoid by working ... even if it doesn't seem [financially] beneficial.”

- Tina

ARTURO | COMPUTER TECHNICIAN |

Arturo, a 31-year-old educated as a computer technician, says his stable schedule at his job in a computer repair shop differs vastly from working nights and weekends for his previous job as a security guard in a Bronx housing project. A set daytime schedule enables him to take a quick bus ride home to pick up his young daughter if necessary. This was impossible when working security. Moreover, his old schedule was unpredictable and included weekend shifts, adding stress to family life. His now-stable schedule has improved his relationship with his partner.

THOMAS | SALES MANAGER |

Thomas, a culinary school graduate, had worked as a cook in both large and small restaurants. He left the industry because of erratic and unpredictable scheduling. He would work late into the nights and on weekends, with hours that would swing from more than 40 hours one week to too few hours the next, often due to poor and inconsistent scheduling by kitchen managers. While still in the food industry, he is now the sales manager for a small specialty-food manufacturer in New York City. Having evenings and weekends off is novel for him, and with his newly minted and varied business skills, his schedule provides time to prepare for his next move: an entrepreneurial venture in the food industry.

KENDRA | MASSAGE THERAPIST |

Kendra, a 21-year-old massage therapist, is expecting her first child. For six months, she has worked at an independently owned studio in San Diego that has a warm, supportive atmosphere. Previously, Kendra worked at a large massage chain for one week, which was long enough for her to figure out what she does not want in a job: a corporate environment, inflexible hours, and a lack of collegiality. Kendra mentions repeatedly how comfortable she feels being pregnant at the current studio, where she is surrounded by caring coworkers and can balance work she loves with taking care of herself. She is extremely appreciative of the schedule, which she describes as “super flexible but stable—it only changes when I want it to.” She explains that she adjusts her schedule as her pregnancy advances, easily swapping shifts with coworkers to attend prenatal

doctor visits. Planning to take time off when the baby is born, Kendra is confident the studio will accommodate her scheduling preferences when she is ready to return, even if that means working just one shift a week.

GABRIELLA | OFFICE ASSISTANT |

Gabriella shares an administrative and finance position with a fellow employee at a waxing services shop owned by her mother-in-law near downtown Miami. Her previous job was very different: she was a full-time addiction counselor at a group home in California. She moved with her children and husband to Florida to be closer to family. Although she found similar work opportunities in the rehabilitation field in Miami, a bachelor's degree was required to earn the \$25 per hour she had made at her last job in California. In Miami, jobs available to individuals with her experience but without a degree paid much less. Also, the hours were inflexible, requiring her to be on call after typical working hours and leaving no time for school pickup, family dinners, or helping with homework. She switched to working 28 hours per week at the waxing shop because the pay was similar and the job provided stability and flexibility. This gives her time to be with her daughters after school. The flexibility to adjust work hours with her coworker will enable her to complete her college degree if she decides to return to the rehabilitation field, which she is considering doing.

29% of interviewees work more than one job.

ELIZABETH | ACCOUNTANT |

After working for almost 20 years in accounting and finance at both large and small companies, Elizabeth now works as an accountant in a small Brooklyn pedicab firm. She works two days a week at the pedicab company and three days doing bookkeeping for a small furniture business. She notes that the pedicab job is by far the more flexible of the two. For the most part, she can chart her own hours and take personal time off for doctor's

appointments or other errands, making up the hours later. This is important to her goal of taking on more Spanish translation work as she completes a certificate in translation at New York University. She says her job for the furniture company will be the first to go as she secures more translation work. Ideally, she would do translation (which she finds very satisfying) and keep the pedicab job as a stable financial anchor.

“... It works out to have the flexibility of part time given what I’m working toward ... that’s why I haven’t been concerned about getting a full-time (job) because I want the flexibility to move in a new direction.”

- Elizabeth

AARON | FARMER |

SOPHIA | DESIGNER |

ERIN | OFFICE MANAGER |

Several examples suggest that flexible work arrangements are part of the give-and-take afforded by growing companies that want to hire and retain good workers but cannot afford to pay more. Aaron tends to two large rooftop farms, one in Queens and the other in Brooklyn. He negotiated his schedule in order to maintain a second job with an environmental nonprofit. Similarly, art-restoration employee Erin loves making \$40,000 with health insurance, getting paid vacation benefits, and being involved in the New York art world. She brings in additional income by leaving work early once a week to work as a nanny. And Sophia, a designer at a custom clothing company in Brooklyn, received time off to attend trade shows and encouragement to develop her own business from her boss. She used the job to mitigate financial risk as she developed her own business, a line of baby products.

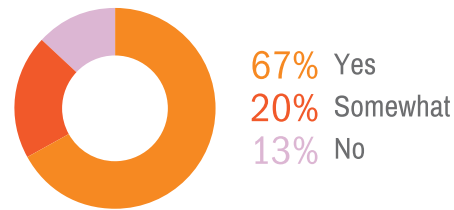
Building ladders: skills development and growth opportunities

Most of the employees interviewed appreciated the ability to learn new skills and gave many examples of what they had learned on the job. Several noted they had come to their jobs with the necessary skills but appreciated learning how to put them to use in a new industry. Others said they had acquired skills and experience. The overall sentiment was that the environment of a small business demands wearing many hats and that specialization would be a luxury. In fact, many workers described learning to manage in various areas of the business. In her book *The Good Jobs Strategy*, Zeynep Ton explores how successful companies have cultivated more skilled and satisfied employees by cross-training them to perform a variety of tasks in different functional areas.³¹ The satisfaction that comes with enhanced skills certainly rang true for many of these employees.

“That’s why I’ve stayed. I’m constantly learning new things”
- Erin

While 67 percent of workers thought there were “growth opportunities” in the business, they offered two perspectives on this. Some thought the small size of microenterprises limited their own ability to advance. Others saw the potential for new opportunities if the business grew, although it was not always clear what those might be. The workers who voiced the latter perspective appreciated the up-and-coming nature of these small businesses and that there was no predetermined ladder for advancement. They believed the ability to create their own paths provided greater opportunity.³²

Growth Opportunities at the Business



AMELIA | OFFICE MANAGER |

Amelia, age 56, had held a series of difficult, low-paying jobs—predominantly low-wage factory and restaurant jobs—for much of her 30 years of work. Just before beginning her current job in a small, franchise tax-preparation firm in New York City, she had gone through a particularly rough patch with her family and, lacking formal employment, had been doing informal, home-based work, either babysitting or making Nicaraguan tamales. When she saw the advertisement for three months of free tax-preparation training, it was a godsend. At the time of the interview, Amelia had been working at the business for five years, progressing from preparing the taxes to managing and coaching other employees and managing sales and marketing for the entire office. Amelia has an obvious thirst for self-improvement and likes the access she has to training webinars for continuing education. The tax industry is demanding and challenging, with major highs and lows that come with the tax season. Nevertheless, given the skills she has acquired over the years, Amelia now believes that it will be easier to find supplemental part-time work when this year’s tax season ends.

LUCAS | SCREEN PRINTER |

At 53, Lucas’s employment had been based on his physical size and strength. He has held many jobs across the country, including work as a rodeo hand, a manual laborer at packing houses, and work in carpentry, in landscaping and, most recently, as a truck driver. Despite earning a good living as a driver, he had to give up cross-country trips when his eyesight started failing a few years

³¹ Zeynep Ton, *The Good Jobs Strategy: How the Smartest Companies Invest in Employees to Lower Costs and Boost Profits* (New York: Houghton Mifflin Harcourt, 2014), 147-149.

³² The lack of a predetermined advancement ladder is often considered a negative aspect of a job. For these employees, however, it meant that they had the ability to build their own ladder for advancement, giving them more control and flexibility to advance along with the developing businesses.

ago. After facing what he perceived as age discrimination while searching for work in Denver's packinghouses, he connected to a local silkscreen shop that prints artwork onto t-shirts. This job has nurtured a hidden artistic talent and introduced Lucas to a field where he now expertly manages the tools, paints, and machinery that produce the artwork. Armed with these new skills and interest, Lucas wants to break out on his own so that he can earn more and be his own boss in what he hopes is his last, stable career.

“You can always tell the way they look at you at job interviews.... They look at my age and experience, and they figure they can take two young guys instead.”

- Lucas

JOSH | BRANDS MANAGER |

Josh works in the New York fashion industry where he is in charge of wholesaling seven brands for a small wholesale company with a retail clothing shop. His responsibilities include attending trade shows and developing the lines by working with designers, showing merchandise to stores, getting feedback, and managing shipping and payments. Josh managed brands in his previous job and is now acquiring retail skills that round out his experience in the industry, which he thinks makes him more marketable. His broader perspective also enables him give better feedback to designers about what is in demand and what sells. It also strengthens his ability to sell wholesale to stores as he can speak to what sells in the retail store. Beyond his new expertise, Josh believes this job is helping him create a network and establish substantive industry connections.

“The place where I worked before was just a showroom; here they have a showroom, an e-commerce site, and a store. (Working at the store) now I have a full understanding of what happens after the clothes get to the store.”

- Josh

MATTHEW | DELIVERY PERSON |

Workers interviewed also spoke of valuing a variety of opportunities for growth and advancement. Matthew works as a driver for a small but growing Brooklyn grocery delivery company and is optimistic about his future with it. Management has implemented some of his suggestions for improving the delivery process, such as having customers sign for groceries via tablet. Matthew has also been researching how to incorporate Google transportation and logistics products into the business. He thinks this could be a good way for him to develop a new role in the business. He emphasizes that you do not follow a typical path in a small business, and he likes that prospect.

FOLADE | SALES ASSOCIATE |

In a similar vein, Folade, a sales associate at an optical shop, also saw the opportunities as the business potentially grows and opens a second location. She thinks that her employers have been thoughtful about training their workers, and that they take the long view as they plan for growth. She said that all the workers are cross-trained in various aspects of the business, so she sees the possibility of continuing her customer-service role as she takes on new responsibilities.

“Yes, it's a small business, but it's not small minded.”

- Folade

AARON | FARMER |

Aaron, the urban farmer, notes his professional growth path from farming to taking on a farmer education program, managing the business' events space and, most recently, speaking in public on behalf of the business, which his boss has encouraged. As the business is young and the team small and tight-knit, Aaron has the chance to be involved with new services. Although he is unclear whether he wants to remain in farming, given the long hours and low pay, these other areas of work enable him to cultivate relationships with a large network of hunger and food advocacy nonprofits. This, he believes, will open doors to other opportunities should he choose to leave farming.

“There isn’t such a clear path to move up the ladder, but in a small business everyone plays so many different roles. There is more variation, and it’s less static.Things come along and ... if you keep your eyes open, you can create yourself a new job.”

- Aaron

Keeping it positive: a supportive work environment

One-third of the workers emphasized a supportive work environment in describing their jobs. Some compared their current experiences to less pleasant positions in very different industries. Others highly valued workplace bonds built over many years. All but three employees spoke about great coworkers and a good working relationship with their bosses.

One-third of workers cite their work environment and co-workers as the best part of their job.

PALOMA | CHILD CARE WORKER |

Paloma, a 27-year-old immigrant from the Dominican Republic, talked about the low stress of working with children in home day care in northern Manhattan. Her point of comparison is the job she held before immigrating to the United States: working mostly nights for six years at a restaurant in Austria. Although she had the benefits common in Europe—one month paid vacation, sick leave, higher pay—she said her new job is worth the change. In her view, there is less stress and monotony working with children and her daytime schedule is conducive to her newly married life in the United States. Additionally, this job gets her out of her own house and decreased her sense of isolation as a new immigrant to the city.

VALERIA | STYLIST |

Valeria has been in the United States for more than 20 years, working in beauty salons since the third day after arriving in New York City. She left her last position due to an unsupportive boss and has been at her current salon in Harlem for more than 12 years. She describes

her two coworkers and boss as a tight-knit family in the best sense—giving each other praise and working collaboratively. She also described the difficulties faced by the salon in recent years, as the economy slowed and clients cut back their visits to the salon. Despite some very slow weeks, she works on a fixed salary, and her boss has made every effort not to reduce her pay. According to Valeria, the attitude is that they are “on this boat together.”

JAMES | RECEPTIONIST | 🗨️

Other interviewees described trading off the potential to earn more for a more supportive work environment. James is a 31-year-old receptionist and administrative support person for an acupuncture business in Lower Manhattan. Although he recognizes he does not make “a ton of money,” he enjoys being part of what he coins his “acu-family.” A previous position in a different state was “very toxic.” In contrast, his current work environment is valuable for his mental health and motivation for work. The job also has given him the confidence and knowledge to start thinking about his next move as a tattoo artist and about becoming a business owner himself someday.

ROD | FLAGGER | 🚧

While not obvious from his appearance, 53-year-old Rod has terminal cancer. He is certainly not seeking to be his own boss anymore (after owning a remodeling company for years in Massachusetts). Rather, he wants a job that provides a secure income and a supportive work environment and that keeps him busy while he is in stable health. Rod thinks he has found what he is looking for working with a Denver company that manages traffic around road construction.

The company owners know his condition, and they gave him time off when he had a health scare a couple of months ago. Since Rod is experienced, mature and reliable, his bosses often give him priority to work additional hours as projects arise. Rod values that the owners are “good

people” who give those who need it a second chance. The company works with a local halfway house for men recently released from prison and needing steady work. He says he has seen his boss pay for work boots out of her own pocket just to get someone started in a job.

“It’s a family. Everybody knows everybody else. I think it makes it a stronger business.”

- Rod

CALEB | BARTENDER | 🍸

Caleb, a 25-year-old bartender and cheesemonger at a New York retail and spirits shop, chose this job not because it pays a lot but because he values being part of a small, local community. Originally from New Orleans, he sought out both bosses he could respect and a part of the city that appreciated and supported local businesses. He noted that he could have worked as a freelance writer while pursuing graduate work in writing but that his job is more flexible and less stressful and enables him to engage with locals.

“... It would always be nice to have more money, but in the service industry I know what I’m getting into and working at a place that I enjoy is definitely worth it. It’s nice to come to work with bosses that you like and respect and consider friends.”

- Caleb

More than a cog in a wheel: meaning and purpose

Another theme that emerged from the interviews was the meaning and purpose derived from being part of a company that was developing and had the potential to grow. Purpose and engagement in work can bolster one's well-being and motivate workers to contribute to their organizations.³³ Conversely, a disengaged worker is likely to be less productive. A 2011 Gallup poll found that most American workers—71 percent—are either “not engaged” or “actively disengaged” at work.³⁴ In contrast, more than half of workers in this study voiced a sentiment of meaning and purpose. Workers seemed to have one of two personalities: the “thrill seekers” who love start-ups and find this initial phase of a business exciting, and the “helpers” who want to assist in building a business that plays an important role in their community.

JAY | COOK |

Jay, the 20-year-old cook at a bar and restaurant in Brooklyn, is working at his third start-up. He thrives on getting a new venture established and takes personal satisfaction in applying what he has learned working at other start-ups to this new business venture. Based on his experience, he implemented changes to the inventory system, and said he “loves the challenge of improving the systems in the kitchen.”

“I’ve dedicated a year to help get the business established.” - Jay

ARTURO | COMPUTER TECHNICIAN |

Arturo, the former security guard educated as a computer technician, is putting his technical knowledge to work managing a computer sales and repair shop in the Bronx. He describes the satisfaction and learning from getting this start-up off the ground. Although he often manages the shop on his own, he thinks being a front man for the retail shop provides both tangible opportunities for him and benefits for the business owner. He is learning how to build a customer base, both online and with walk-in clients, in addition to the administrative aspects of overseeing the shop. He hopes this hands-on knowledge will translate into knowing what it takes to run his own shop.

“I see myself as a co-captain. Every business needs a co-captain, someone they can trust.” - Arturo

ELIZABETH | ACCOUNTANT |

At age 45, Elizabeth expresses satisfaction in being the “de facto CFO” of a company in the emerging green transportation industry—a modern pedicab and rickshaw business. The part-time bookkeeping and financial job fits well with her plans for the future, but equally important, it enables her to participate in the vanguard of this emerging area.

“(It’s fun) because of the challenges of something new popping up all the time. And the sheer coolness of the stuff we do. ... Getting to look around to see new prototypes. ... The excitement of doing innovative stuff and to change the way transportation works in the city.”

- Elizabeth

33 Jim Harter and Sangeeta Agrawal, “Actively Disengaged Workers and Jobless in Equally Poor Health,” Gallup Well-Being, April 20, 2011, accessed June 29, 2015, <http://www.gallup.com/poll/147191/Actively-Disengaged-Workers-Jobless-Equally-Poor-Health.aspx>

34 Nikki Blacksmith and Jim Harter, “Majority of American Workers Not Engaged in Their Jobs,” Gallup Well-Being, October 28, 2011, accessed June 29, 2015, <http://www.gallup.com/poll/150383/majority-american-workers-not-engaged-jobs.aspx>

DUKE | LANDSCAPER

Thirty-three-year-old Duke did not know he would stay in landscaping, but it was a welcome change after his first job out of high school working security. The small Denver-based landscaping company is a tight knit, family-owned enterprise that has grown and diversified as the local economy has taken off in recent years.

During the ten years Duke has been with the company, he has increased his wages, earned bonuses, received generous benefits (health insurance and a 401K) and been promoted to a supervisory role. He emphasizes that the success of the company is a group effort. Duke points to the office whiteboard displaying substantial monthly sales figures and is proud of his contribution to that success. With a self-described shy nature, he also said the job has helped him build his confidence by interacting with clients and managing others. With humble, self-assurance he announces, “I know I can rock any job now.”

“I’ve grown with the business. When you’re young you start stepping up and taking charge.... [Your] responsibilities grow. You want the best thing for you and the company. You kind of mature.”

- Duke

JOSH | BRANDS MANAGER

JACOB | COOK

On the surface, Josh and Jacob could not be more different. Josh is a Caucasian, 23-year-old fashion brands manager in Manhattan; Jacob is a 58-year-old Jamaican immigrant helping operate a Jamaican food truck in Queens. Nevertheless, they share a passion for small business and choose to work in one because it is consistent with their personal values. For Josh, small businesses are consistent with how he wants to live his life: working in a place where “the needs of employees come first” and the business “betters a group of people, not just one person like a large corporation does.” Jacob

has witnessed the positive role small businesses can play in low-income, minority neighborhoods. He views the extra effort he puts into the venture as an investment in the business, knowing that once it is established, it “will help not just me but a lot of people.” Josh and Jacob view small businesses as important to improving their communities.

A launching pad to the next phase of life

Many of the employees interviewed described how their current jobs were helping them work toward their goals: by providing a fairly stable financial anchor, the opportunity to learn the ropes of running a small business, the flexibility to go back to school, or the opportunity to develop a network of contacts for the next stage of their careers.

Almost two-thirds of workers were interested in starting a business, valuing their microbusiness jobs as a way to gain exposure to the inner workings of a small business without the full risk of ownership. This interest was particularly strong among workers 45 or younger, 67 percent of whom were interested in starting their own business compared with 44 percent of those older than 45. Many of the workers profiled above express this interest—from Aaron the urban farmer to Sophia the designer at the custom clothier. Previous FIELD-supported research found that microenterprise clients who were exposed to business ownership before accessing training and technical assistance services were more likely to start a business than were others without this exposure.³⁵ For the workers in this study, then, this learning opportunity could be pivotal in helping them create their own next jobs through entrepreneurship.

67% of workers 18 to 45 years old cited an interest in starting their own businesses. Their current jobs were in many ways “showing them the ropes.”

35 Elaine L. Edgcomb et al. Improving Microenterprise Training and Technical Assistance: Findings for Program Managers (Washington, DC: The Aspen Institute, 2002), 8.

PIPER | SERVER |

Piper and her boyfriend share a dream of becoming master brewers. They looked long and hard before choosing a brewery they believed would help them achieve that goal. Both 27, they were looking for a brewery that would let them work the same shifts, provide ongoing learning opportunities, and, Piper says with a laugh, “brew beer that’s actually good.” Their requirements were met by a new Denver brewery. Not only do the owners accommodate Piper and her boyfriend’s desire to work together but they also provide opportunities for professional growth. For example, employees gain hands-on experience by participating in brewing sessions and are encouraged to increase industry knowledge by pursuing the prestigious Cicerone beer certification.

Having started their jobs even before the brewery officially opened, Piper says they are “learning together” with the owners what works and what does not in the business. This is valuable experience they hope to leverage when they are ready to start their own brewery in five to ten years.

ROBERT | OFFICE CLEANER |

Additional cases illustrate the other ways in which these jobs serve as launching pads. After being raised and attending college in Ecuador, Robert, a dual U.S./Ecuadoran citizen, came to the United States with a specific goal in mind: to save enough money to finish his undergraduate thesis in nutritional science, which requires buying measuring equipment. Through family contacts in Ecuador, he secured a job with a small company cleaning commercial offices in Brooklyn and Queens. Although he likes the financial stability this job provides, especially when compared with the volatility of the Ecuadoran economy, Robert fully intends to go back to his country to open his own nutritional consulting office and launch his career. He has almost met his savings goal by living modestly in a shared apartment with other family members.

TOUSSAINT | SALES CLERK |

Toussaint used to be a concierge for a luxury apartment building in Westchester County, New York—a job he called “comfortable and easy” despite the long commute from his Brooklyn home. In addition to a decent wage (\$12 per hour) and tips, he received other perks such as tickets to sporting or cultural events. He traded that full-time job for one running a small wine and spirits store close to home in Brooklyn. He said he felt “too comfortable” in the concierge job and did not see himself leaving the job to pursue his goal of returning to school. He believes the wine store is the right fit for him because it provides both flexibility and extra work hours (given that his commute has declined from well over an hour to 20 minutes). Above all, the job gave him the impetus to complete his undergraduate degree and eventually go to law school.

ERIN | OFFICE MANAGER |

Erin has been managing the studio of a small art-restoration company in Manhattan for six and a half years. She provides all of the front office support, manages schedules, prepares shipments, keeps the books, created the company’s Web site and even practices a little art restoration. She keeps the wheels turning at this small business and is good at her job, but her real passion is painting, which she studied as an undergraduate and continues to practice. Although not sure about her next move, she knows she will stay in the arts. She does not think she can afford to go back to school and says the job exposes her to different parts of the art world and builds her painting skills. She can use the company’s studio and receives feedback on her painting from the owners. Perhaps most important, she has built a strong network of contacts in the art world that could provide an entrée to future jobs or exposure for her art.



Tenacious *and* cautious

Every generation is saddled with stereotypes, both positive and negative. The millennials, who range from 18 to 34 years of age, are no exception.³⁶ They are described as entrepreneurial and risk taking but also flighty and entitled. The millennials we interviewed are indeed ambitious and eager to succeed. However, they are also cautious about their financial futures because their early working years have been marred by recession.

Millennials face a particularly challenging set of economic circumstances, exacerbated by the recent recession. According to research by the Economic Policy Institute, the youngest millennials—those less than 25 years of age—continue to face higher unemployment rates than their counterparts did prior to the recession. The research also finds that many high school and college graduates in this age group are missing from the labor market, that those who are working have lower wages than in previous years, and that college graduates are taking lower-level jobs.³⁷ At least since the recession, millennials between the ages of 25 and 34 are less likely to switch jobs. According to data from the U.S. Census, the median job tenure for workers 25 to 34 years old was 3.2 years in 2012, up from 2.7 years in 2002.³⁸

For some workers, these employment challenges will have long-lasting effects. Research on the experiences of college graduates found those graduating into a recession had earnings roughly 11 percent lower in the initial period after graduation, compared with those graduating in non-recessionary periods. It also found that lower earnings effects persisted, with those graduating in recessionary times experiencing three percent lower earnings on an annual basis in the decade after graduation.³⁹

Millennials also face more challenging personal financial circumstances than do workers of other ages. Rising levels of student debt are one challenge. In just the last seven years, student debt levels grew by 52 percent, to an average outstanding balance of \$27,689. Millennials also have lower levels of wealth than previous generations. Research by the Federal Reserve Board of Governors found that the net worth of individuals younger than 35 dropped 43 percent between 1996 and 2014.⁴⁰ The economic and financial constraints faced by millennials may also affect their engagement in business ownership. Contrary to the perception that millennials are likely to be entrepreneurial, research by the Kauffman Foundation indicates that the level of entrepreneurial activity among 20- to 34-year-olds, while holding fairly steady between 1998 and 2011, has declined substantially since then.⁴¹ The first phase of FIELD's research found that 88 percent

36 The Pew Research Center defines the Millennial Generation as being born from 1981 to 1997 and between the ages of 18 to 34 in 2015.

37 Heidi Shierholz, Alyssa Davis, and Will Kimball, "The Class of 2014: The Weak Economy Is Idling Too Many Young Graduates" *Economic Policy Institute*, May 1, 2014, accessed June 29, 2015, <http://www.epi.org/publication/class-of-2014/>

38 Jeff Guo, "Millennials Aren't Changing Jobs as Much. That's a Big Problem for the Economy," *Washington Post*, September 14, 2014, accessed June 26, 2015, <http://www.washingtonpost.com/news/storyline/wp/2014/09/04/millennials-arent-changing-jobs-as-much-thats-a-big-problem-for-the-economy>

39 Joseph G. Altonji, Lisa B. Kahn, and Jamin D. Speer, "Cashier or Consultant? Entry Labor Market Conditions, Field of Study, and Career Success", *National Bureau of Economic Research (NBER) Working Paper No. 20531* (September 2014), 3-5.

40 Elliot Schreier and Gina Barton, *Millennials Rising: A Chartbook*, (Washington, DC: New America, 2014) 12.

41 *The Future of Entrepreneurship: Millennials and Boomers Chart the Course for 2020* (Kansas City, MO: Kauffman Foundation, February 2012).

of interviewees between 20 and 45 years of age—who we termed “younger” workers—were “interested” or “somewhat interested” in starting their own business. Some workers specifically indicated they planned to apply the experience gained through microbusiness employment in launching their own enterprises. However, the expanded research (in Chicago, San Diego, and Denver) indicated that millennials (defined as those between 18 and 34 years of age) were somewhat less interested in entrepreneurship, with 61 percent indicating they were “interested” or “somewhat interested.” Among the more than one-third of millennial employees who said they were not interested in starting a business, many expressly cited aversion to the risk involved, their current financial instability or a previous business failure.

Interested in Your Own Business?

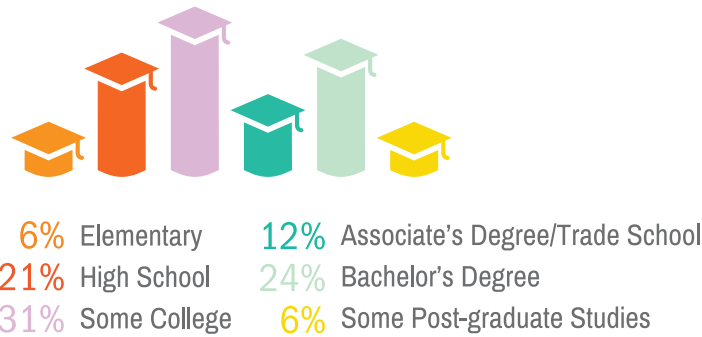
Millennials



Non-Millennials

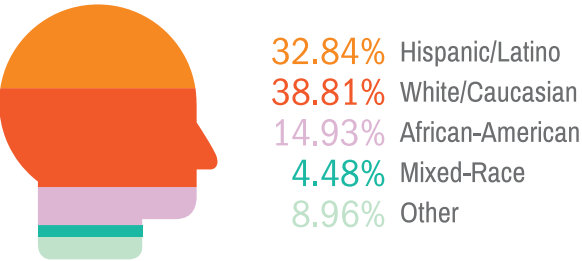


Millennial Worker Education

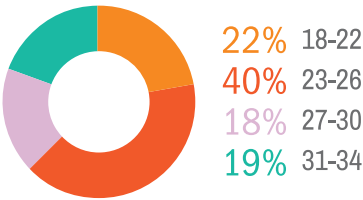


Amid this backdrop of the myriad challenges facing young workers in the labor market, what are the motivations of millennial interviewees for choosing and sticking with microbusiness employment? The interviews we conducted revealed that some of these younger workers use their microbusiness employment as supplemental income to improve their financial position, while others want to gain substantive experience and break into new fields.

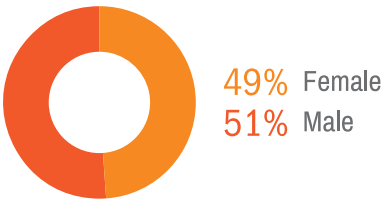
Millennial Worker Race and Ethnicity



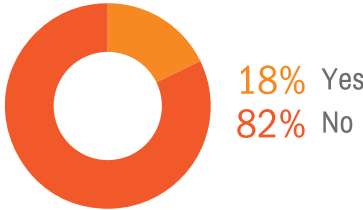
Millennial Worker Age



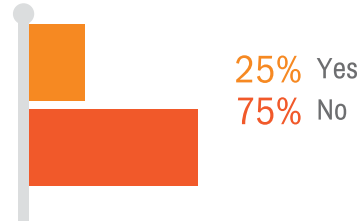
Millennial Worker Gender



Receiving Public Assistance?



Immigrated to the U.S.?



Millennial Household Size



In their own words

A stronger financial future

IBRAHIM | SERVER |

Twenty-nine-year-old Ibrahim graduated from George Mason University with a degree in international relations before relocating to San Diego, where he works full time as an account manager for a digital marketing start-up. In addition, he works three nights a week as a server at a newly opened North Park restaurant. Having put himself through college working at restaurants, he knows the industry well. Ibrahim took this job in order to pay off his substantial student loan debt before turning 30 years old, a goal he is on track to meeting by December.

Most of Ibrahim's previous server positions were at larger corporations; this is his first experience working for a small-scale restaurant. In his eyes, the biggest difference working for this smaller start-up is the close-knit staff and a sense that everyone contributes to every new aspect of the business. With a chuckle, Ibrahim said he even felt some pride in something as seemingly minor as the installation of the restaurant's new awning. Despite the long hours, he appreciates the "all hands on deck" environment the owners have cultivated. He was initially shocked to see one of the bosses running food and busing tables on busy nights—something he never saw at larger restaurants. Most important, Ibrahim values the greater economic options that come with the additional income and the prospect of being free of student debt.

"For me it's supplemental, but the money is good and it's always something that I return to when I need additional income or whenever I had to make things stretch.... I literally take that money and write a check to Sallie Mae and my credit card.... It's [student debt] tough."

- Ibrahim

Substantive experience in the field

ALMA | RECEPTIONIST |

Alma found the San Diego job market competitive after she graduated two years ago with an accounting degree that took her several years to finish. She answered a Craigslist ad for a receptionist position (starting wage \$10 per hour) at a growing chiropractic and wellness business. She was the last interviewee from a pool of 40 candidates. With substantial customer-service experience, Alma landed the job and has steadily advanced at the fast-growing firm. She quickly moved from reception into administration and now handles billing and bookkeeping, liaising with insurance companies, and managing the front-desk staffers.

This job is vastly different from those Alma held as she was putting herself through college, first at the University of California, Santa Cruz, and then closer to home at the California State University, Dominguez Hills. Barely making more than minimum wage, she worked as a customer-service representative at a car rental firm and then at a sandwich

chain. She says the most frustrating aspects of those work experiences were the management structure and lack of opportunities to earn more. For instance, Alma found the rental firms' hierarchical structure a hindrance to a stable work schedule. Workers who were slightly more senior had priority when shifts were assigned. This often meant she received fewer hours than she wanted. Moreover, because managers were close to her age and had little management experience, she found it difficult to voice opinions or concerns regarding scheduling practices and workplace conflicts.

In contrast, Alma now shares a small office with the operations manager and receives mentoring, motivation and coaching to troubleshoot problems and prioritize tasks in the practice's fast-paced environment. With a steady salary and the opportunity for future raises, Alma enjoys more stability, has been able to get a place of her own and, most important, sees the job as a resume builder for future work in finance and accounting.

“This is a completely different setup than other jobs I’ve had. I’m growing and I see how I’m helping this business be successful. I’m not sure I’d get that much experience working for a bigger company.”

- Alma

MILLENNIAL’S WAGES, HOURS, AND PAY SATISFACTION

Data from millennial employees in FIELD’s study paint a mixed picture of wage levels and satisfaction. Millennials interviewed had median hourly wages of \$11 compared to \$13 per hour for non-millennials, which is understandable given they have fewer years of experience. The median age of the millennials interviewed was 25 years old. Millennials surveyed were also more likely than their older counterparts to work part time.

MILLENNIALS VS NON-MILLENNIALS

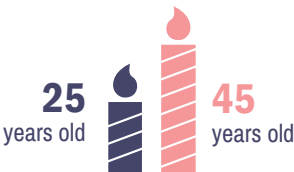
(n=37)

(n=67)

MEDIAN PAY



MEDIAN AGE

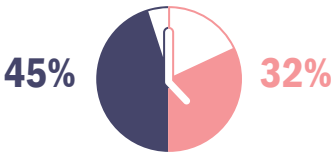


MILLENNIALS VS NON-MILLENNIALS

(n=37)

(n=67)

WORK PART TIME



Fully Satisfied with Wages	45%	43%
Partially Satisfied with Wages	48%	43%

Despite the modest wages, 45 percent of workers were “fully satisfied” with their wages and 48 percent were “partly satisfied.” While most interviewed said they would like full-time work, they accepted their reduced hours in return for positive working environments and skills acquisition.

Trading off pay for the opportunity to break into new fields

NICOLAS | BARISTA | ☕

Tired of the graveyard shift and the increasingly fewer hours at his previous warehouse job, 23-year-old Nicolas sought one with more daytime hours and that would help him break into the food industry. He secured work as a barista and server at a new coffee shop and café. In addition to loving his job and learning about the world of specialty coffee drinks, he helps the owners present their coffees at events—enabling him to network with restaurants, gain exposure to their executive chefs and learn how to pair food with coffee.

He describes his previous job as “mindless drone work.” Nicolas notes that he stuck it out for two years at the warehouse despite the lack of respect from management—until his hours were repeatedly cut. He thinks his current job will lead to tangible career returns with opportunities to take on new roles as the business grows. Nicolas indicates that the owners have begun grooming him to train new employees as the business expands. Regarding his current pay, he says he is willing to make a little less for returns in the form of skills development and job satisfaction.

“I’m completely satisfied with the pay. It’s a little bit of a pay cut from my last job, but I’m more than willing to do it because if you like what you do you’re willing to sacrifice.” – Nicolas

HERMAN | SALON MANAGER | 💇

Unlike many millennials interviewed, 33-year-old Herman is committed to owning his own beauty salon eventually. He aspires to something very different from his previous life. Born in the United States, Herman finished high school and college in Mexico, earning a degree in computer science. After college, he spent years working at Hewlett-

Packard in Guadalajara, working collections and customer service and managing call center operations. Despite making a good living, Herman longed to return to the U.S. and break into an industry he was more passionate about, understanding he would have to start at the bottom as he learned the ins and outs of the beauty industry.

With no experience, it took some time to find a place willing to give him a shot, but he finally landed his first job in the field at a popular salon in Chula Vista, California, near the Mexican border. His responsibilities include making sure the salon’s daily operations run smoothly, which means handling local marketing and payroll, managing software, and ordering supplies. Recently, an ownership change has meant reduced hours for Herman as the new salon rebuilds after the previous owner departed and a significant portion of the clientele left. To make ends meet, Herman has taken on another job two days a week as an assistant to an insurance broker. However, he remains optimistic that the valuable skills he has picked up during the past four years at the salon have made the time investment worthwhile. He believes he will put the knowledge he has gained to use in running his own shop when the time is right and he has the necessary capital.

JOSIE | OFFICE WORKER | 💰

Josie also aspires to own a business. She recently switched from a large, independently owned insurance agency to a small insurance franchise and easily lists things she prefers about this job: a stable schedule, not feeling afraid to ask for time off, and the ability to walk to work, which helps her save money on gas. Josie’s pay (\$10 per hour), coupled with her partner’s income from erratic construction jobs, does not always provide enough to support their toddler and Josie’s mother, who lives with them.

That said, Josie provides three reasons why the pay is workable right now. She sees opportunities for it to increase as she brings in more business and takes on more responsibility. The stable schedule and supportive working environment provide a much better life-work balance, enabling her to spend time with her son. Additionally, Josie emphasizes that she is gaining the experience necessary to run her own insurance office—something she is working toward very seriously and hopes to achieve in the next four years.

Choosing a supportive environment

As noted, both high school graduates and college-educated millennials faced challenging job prospects during and after the recession. However, the situation is particularly striking for those without a college degree. In March 2013, the unemployment rate for millennials between 25 and 32 years of age with only a high school degree was 12.2 percent—a full eight points higher than for those with a college degree.⁴² Frequently, the absence of post-high school education limits the quality and quantity of employment options for these workers. As several millennial interviewees explain, they have chosen their current microbusiness employment because it offers a more positive work setting than previous positions.

EMILY | RECEPTIONIST |

At 21, Emily does not have an extensive work history. She started working at a large chain restaurant in Seattle in high school and stayed on after she graduated. She described the environment as “toxic,” said she was frequently hassled by her manager, and had to deal with constant employee tension. At the time, she thought it was a normal environment because it was her only work experience and she was there so long.

When her boyfriend decided to move to Denver, Emily decided to move with her boyfriend. She says she could have received an automatic transfer to one of the chain’s Denver locations, but she knew she wanted something different.

Emily was thrilled to be hired by a small but growing company that provides therapy for autistic children. She could not believe her luck when she discovered she could work fewer hours and make more money than she did after four years at the restaurant. Plus, she says almost with disbelief: “The therapists stop by my desk every day and tell me how much they appreciate all my work.”

Emily is also very happy to work for a business that she thinks is doing something positive. She has learned a tremendous amount about autistic children since starting the job and is invested in changing negative attitudes about them. Although unsure what she will be doing in the next three to five years, Emily muses that one possibility would be going to school and becoming a therapist herself.

“This place is insanely better. Everyone is uplifting and wants you to get better, not work yourself into the ground.”

- Emily

⁴² “The Rising Cost of Not Going to College,” *Pew Research Center Social & Demographic Trends*, February 11, 2014, accessed June 29, 2015, <http://www.pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college/>

CONCLUSION

To return to the central question of this research: Are jobs in microbusinesses “good” jobs? The findings from the employees interviewed suggest that despite wages that classify many of the jobs as “low-wage,” workers’ overall levels of job satisfaction were fairly high. Other aspects of the job were important enough to mitigate or offset the effects of the lower wages.

The study examined the extent to which these jobs raised the floor. Did they enable workers to achieve some basic level of stability by providing decent wages and benefits, flexibility, a stable schedule, and a sense of fairness and respect? The jobs held by the workers in this study generally paid less and offered minimal benefits; however, they did provide flexibility, stability, and a supportive work environment, all of which the employees valued highly. Some of the workers also noted that their age or other factors severely limited their options in the labor market.

The research also explored the extent to which the jobs helped build a ladder toward career advancement. Did they teach skills and provide relevant work experience? Many of the workers noted that their jobs served as a launching pad to future goals, enabling them to build skills, gain relevant experience or make meaningful connections. All these advantages are particularly striking in light of the finding that almost two-thirds of the employees expressed interest in starting their own businesses one day.

...the majority of the jobs produced by the microenterprises in this study performed well along three concepts of job quality: providing decent wages and benefits, flexibility, a stable schedule, and a sense of fairness and respect. Indeed, most of the employees considered their jobs as valued means to support their families and build their futures.

The report also examined the contribution of these jobs to the workers’ quality of life by providing meaning and purpose, positive engagement and involvement, and work friendships. Workers in this study described positive working environments, bosses they respected, and roles that had meaning and gave them purpose. As a whole, the majority of the jobs produced by the microenterprises in this study performed well along these three concepts of job quality. Indeed, most of the employees value their jobs as ways to support their families and build their futures.

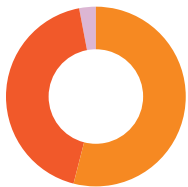
Appendix A:

Microenterprise jobs by the numbers

In addition to the detailed conversations FIELD conducted with 104 microbusiness workers and described in this report, each year FIELD conducts a much larger survey of microenterprise program clients to collect information about their microbusinesses. This research, drawn from interviews with 1,757 microbusiness owners about their experiences in 2011, found the following regarding the workers they employed:

- Fifty-one percent of microenterprises had paid workers, a mean of 1.8 paid workers per business.
- The median hourly wage for paid workers was \$12; the mean was \$18.50
- The median hourly wage for paid workers was 65 percent higher than the federal minimum wage of \$7.25.
- Three percent of workers earned less than the minimum wage of \$7.25 an hour, 43 percent earned between the minimum wage and the low-wage threshold of \$11.73 an hour, and 54 percent earned more than \$11.73 an hour.
- Fifty-three percent of paid workers worked part time, defined as fewer than 35 hours a week.

Hourly Wages

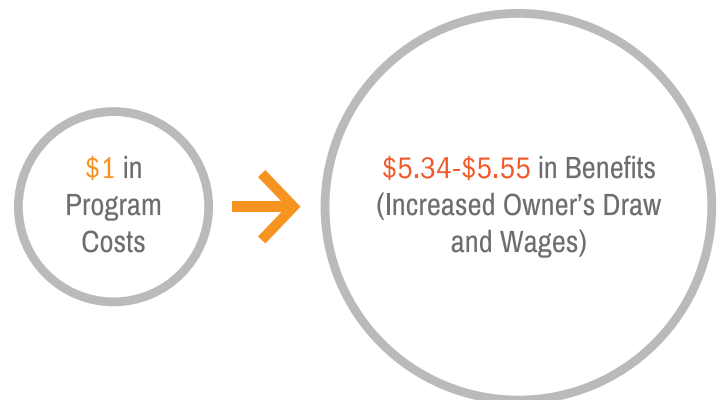


54% Above low-wage threshold (\$11.73)
43% Minimum wage to low-wage threshold
03% Below minimum wage (\$7.25)

Benefits and costs

With data on business owner draw, personal or household compensation from the business, and wages paid to workers, coupled with data FIELD collects on the expenses to programs that seek to support microenterprises FIELD calculated the costs and benefit figures for microenterprise programs. FIELD's analysis compared benefits documented in the EntrepreneurTracker client outcomes survey with the costs reported by 24 participating microenterprise development organizations.⁴³ Benefits were defined as increases in owner's draw and wages paid to workers. Our analysis showed that each dollar of program costs generated between \$5.34 and \$5.55 in benefits.

Microenterprise Client Outcomes



⁴³ EntrepreneurTracker answers questions about microenterprise development programs by collecting credible, standardized information on what happens to entrepreneurs after they receive microenterprise or small business services. See <http://microtracker.org/ClientOutcomes>.

What does it cost to assist a business?

The cost to assist a business was calculated by dividing the total costs of the participating microenterprise programs in 2012 by an estimate of the total number of businesses assisted by the organizations. The estimate of assisted businesses was determined by extrapolating from the percent of clients in business, as documented in the outcomes survey, to the full client population served by participating programs during that year. Because the analysis yielded a range within a confidence level of 95 percent, the estimated costs also appeared as a range. The analysis yielded a cost per business assisted that ranged from \$3,826 to \$3,977.

What benefits are reported after businesses receive assistance?

The benefits represented the changes that accrued to businesses in increased draw for business owners and increased wages for workers. The mean increase in owner's draw was \$4,822; the mean increase in wages was \$16,396; mean total benefits were \$21,218.

This estimate of benefits did not take into account any multiplier effects of increased spending, nor did it value any additional benefits that might accrue in future years were the business to continue. However, because the analysis did not include a control group, the above estimates captured the gross effects of clients' program participation. Some of the positive changes in owner's draw and worker employment might have occurred even if these businesses had not received services from the programs.

What is the benefit-to-cost ratio for microbusiness assistance?

As noted, relating the costs of assisting a business to the benefits reported after assistance yielded between \$5.34 and \$5.55 in benefits for each \$1 in program expenses.

Appendix B: Research methodology

FIELD designed and implemented this qualitative research study to illuminate how microenterprises contribute to job creation and economic opportunity. The research focused on understanding the quality of the jobs provided by microenterprises.

The study used a qualitative research design that included a purposive sampling method, an open-ended, semi-structured interview process and content analysis of the data collected. Accion staff in New York, Miami, Chicago, Denver and San Diego identified businesses that had received microloans during calendar years 2012 and 2013. They recruited potential interview subjects from these businesses.

FIELD used a purposive sampling methodology aimed at selecting businesses that were generally reflective of the microbusinesses served by microenterprise programs across the United States, as captured in FIELD's annual Client Outcomes Survey. Businesses were screened and selected based on the following criteria:

- Industry
- Number of part-time and full-time paid workers
- Business age
- Business owner gender
- Business owner ethnicity

The majority of the interviews were conducted at the worker's place of employment. Some took place at a location of the worker's choosing, such as a coffee shop or the worker's home.

Two researchers conducted all the interviews. Interviewers were FIELD staff experienced in qualitative research

and expert in microenterprise development. Interviews were conducted in English or Spanish, depending on the worker's preference, using an interview guide with open-ended questions that allowed for exploration of a wide range of issues. While the interviews generally followed the flow of the guide, the interviewers adapted the wording and sequence of the questions and added others to conform to the stories told by specific respondents in the context of the actual interview. The interview concluded with closed-ended questions regarding age, educational level, household size, and race and ethnicity.

Researchers conducted 104 interviews in two phases. The first phase, which took place in December 2013, included 27 interviews conducted in New York and Miami. During the second phase, which took place from January to March 2015, 77 interviews were completed in Chicago, Denver and San Diego. Interviews lasted 30 to 75 minutes and were recorded in order to support the analysis process. Each respondent received \$50 or \$75 as payment for his/her time and willingness to share experiences with the interviewers. Respondents were promised confidentiality with respect to the use of their names and other identifying information.

A content analysis was then conducted to search for overall patterns and themes among responses to the key questions asked. Some additional secondary research accompanied the analysis of the quality of work issues expressed by microenterprise workers. In particular, this research sought additional information with respect to the definition of low-wage work, evolving discussions around what makes a job "good," and national data on wages and benefits for similar jobs. This secondary research provided context for these jobs.



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