



# **Microenterprise Development: A Strategy for “Small” Business Development in Rural Communities**

Presented by  
Elizabeth Wilson & Natalie Woodroffe  
Association for Enterprise Opportunity (AEO)  
May 12, 2009

# Presenter Bios

- **Natalie Woodroffe** has worked and advocated on behalf of rural people and communities for over three decades. For three years (2006-2008) she managed the Association for Enterprise Opportunity's rural initiatives and in 2009 formed her own company, Rural Strategies Consulting. She also serves as a Fellow with the RUPRI Center for Rural Entrepreneurship and as a rural consultant for AEO. Natalie was the founding executive director of the Women's Rural Entrepreneurial Network (WREN) for 11 years, leading the organization as a national model for microenterprise, community, and rural economic development. She is a frequent presenter at national conferences and has received a number of awards for her work on behalf of rural women and families. In 2008 she authored *Small Towns, Big Steps: Microenterprise in Rural America*, a book showcasing AEO's three rural projects funded by Kellogg Foundation.

- **Elizabeth Wilson**, Senior Director for the Association for Enterprise Opportunity, the national trade association for microenterprise development, has provided professional leadership and training in the development of nonprofit services and management including program design, project planning, development budgeting, staff recruitment, marketing and fundraising in her various positions. She has a strong knowledge of urban, economic, and small business development, and has done a tremendous job in community development in Georgia.

# Microenterprise Development

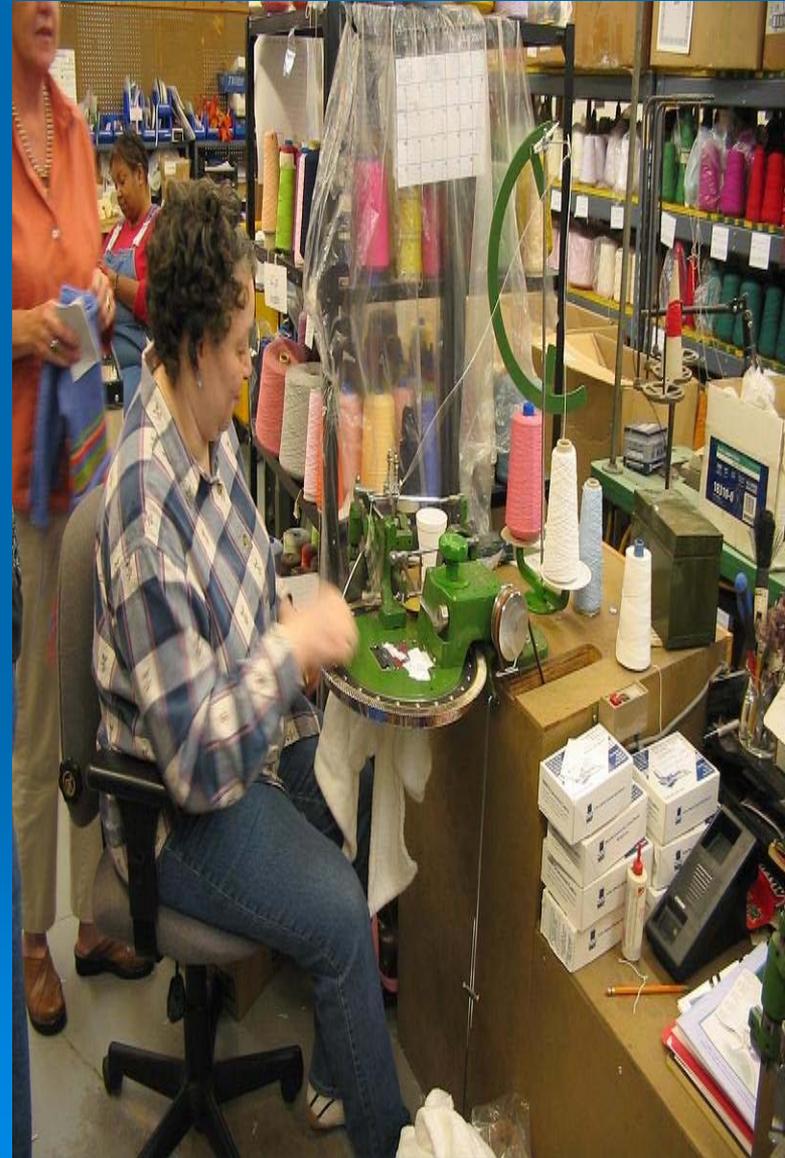
- What is it?
- Who does it help?
- How does it work?
- Why is there a need?
- How can it tie into your work?



# What Is It?

*-Microenterprise development* is a holistic approach, embracing poverty alleviation, human development and economic development strategies.

-It gives people access to the skills, tools, capital, markets, and support they need to operate their own businesses.



# Micro Facts

- A **microenterprise** is a business with fewer than five employees and small enough to require initial capital of \$35,000 or less.
  - Most microenterprises **create employment** for the owner and often other family members.
  - Others grow into larger businesses that employ members of the community.
- 

# Who Does It Help?



There are an estimated **2 million** microentrepreneurs in America today.

# Who does it help?



Anyone who has a  
passion to start or  
grow their own  
business

# Target Populations

Many programs are tailored to meet needs

of specific target groups:

- People receiving public assistance
- Minorities
- Women
- The working poor, TANF recipients
- Some programs also target young people, refugees, homeless individuals, the incarcerated, and rural people/areas.



# TANF: Key Findings <sup>[1]</sup>

- 38% Running a business
- Patching of income; business & job
- Tension between work first and MED training programs
- Barriers to MED training as vocational training
- Time limitations a factor

[1] Aspen Institute Welfare to Work Research Brief # 2



# Types of Micro Businesses

Common microenterprises include repair services, cleaning services, specialty foods, jewelry, arts and crafts gifts, clothing and textiles, computer technology, child and adult care services, and environmental products and services.



**Emerging niche markets**

**Declining rural economies**

**Downsizing & Outsourcing**

**Balancing work and family**

# Why Is There A Need?

**An aging population**

**Changes in the safety net**

**Growth in immigration**

**Loss of “middle class” jobs**

# Micro Facts

There are over 500 microenterprise development programs across the U.S.



# What do these programs offer?

They support people in starting and growing small businesses through:

- business & technology training
- technical assistance
- access to capital
- access to markets



# Does It Work?

YES!!

- It reduces poverty
- It increases income
- It builds sustainable businesses
- Supports community development
- It's cost effective



# Impact of MED Programs

Microenterprise programs in the U.S. are

- creating jobs*
- generating income*
- building assets*
- enhancing skills*
- increasing economic literacy*



Whether the business is the sole source of family income or a crucial supplement to family earnings, microenterprise development has put many low-income families on the road to self-sufficiency.

# What your role can be...

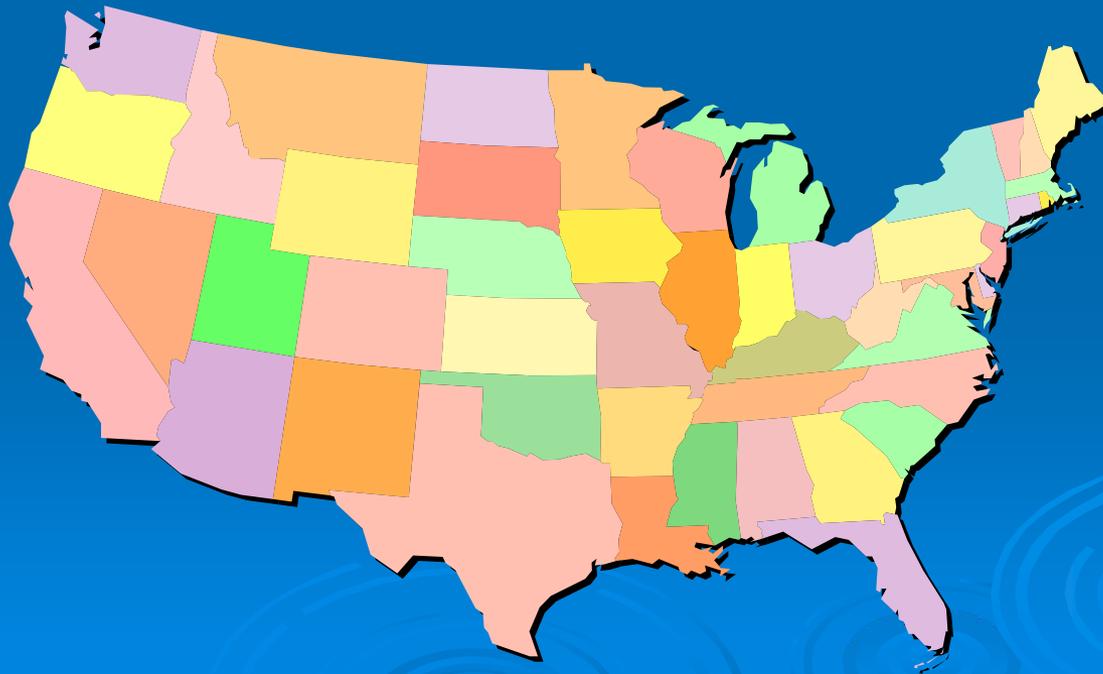
- To survey those you work with in regard to interest in microbusiness development support
- Connect and collaborate with partners that provide these services
- Enlist volunteers



# To find a MED program near you:

Check out AEO's online directory:

<http://www.microenterpriseworks.org/nearyou/bystate.asp>





# **Microenterprise Development: A Strategy for “Small” Business Development in Rural Communities**

Presented by  
Elizabeth Wilson & Natalie Woodroffe  
Association for Enterprise Opportunity (AEO)  
May 12, 2009