

Microenterprise Development

***A targeted focus on helping Hispanics achieve higher earning potential through
business development***

By: Timothy D. Savage

12/7/13

Southern New Hampshire University:

School of Community and Economic Development

Course: CED-624-X1025

Balasubramanian Iyer

*(Submitted in Partial Fulfillment of the Requirements of M.S. in Community Economic
Development)*

Table of Contents

Table of Contents

I. Abstract	Page - 4
II. Community Context	Page - 4
A. Community Profile	Page - 4
B. Community Needs Assessment	Page - 8
C. Target Community for the Project	Page - 10
III. Problem Analysis	Page - 10
A. Problem Statement	Page - 10
B. Stake Holders	Page - 11
C. “CEDness” of the Project	Page - 14
IV. Literature Review	Page - 15
V. Project Design/Logic Model	Page - 22
VI. Methodology and Implementation plan	Page - 24
A. Project Participants and Implementation Plan	Page - 24
B. Community Role	Page - 26
C. Host Organization/group	Page - 28
D. Project Staffing	Page - 29
E. Project Implementation (Schedule/timeframe)	Page - 31
F. Budget	Page - 31
VII. Monitoring	Page - 33
A. Monitoring Schedule	Page - 33
B. Methods, Tools, Forms	Page - 34
C. Team/Tasks	Page - 34
D. Monitoring Schedule	Page - 34

VIII. Evaluation

- | | |
|---|-----------|
| A. Evaluation Variables Indicators | Page - 36 |
| B. Data Gathering Methods, Tools, Forms | Page - 36 |
| C. Data Analysis | Page - 37 |
| D. Evaluation Team/Tasks | Page - 37 |
| E. Evaluation Schedule | Page - 38 |

IX. Sustainability**Page - 38****X. Results****Page - 41****XI. Conclusions & Recommendations****Page - 44**

- | | |
|---|-----------|
| A. Prospects of Intermediate and Long-Term Outcomes | Page - 44 |
| B. Personal Thoughts | Page - 45 |

XII. References**Page - 47****XIII. Appendices****Page - 53**

- | | |
|-----------------------|-----------|
| A. Evaluation tools | Page - 52 |
| B. Monitoring Reports | Page - 57 |

Abstract

Hispanics in Salt Lake County, Utah represent the second largest demographic however experience greater poverty than do other demographics primarily due to their limited access to resources. With fewer opportunities for employment due to increasing political pressure (i.e. e-verify) many undocumented and mixed status families are struggling to find employment and have a diminished access to the safety net that other poor demographics use.

Although microeconomic development (MED) efforts have generally proved to be somewhat ineffective in developed countries due to poor aim/design and a safety net that is generally available to impoverished individuals. The author proposes however that MED can be effective in a developed country for undocumented and mixed –status Hispanics because of their parallel to populations living in the third-world.

To operationalize his theory the author proposes a MED project in SLCO, UT for undocumented and mixed-status Hispanics and is able to produce limited results with mixed findings, however is encouraged that continued research will ultimately indicate the validity, efficiency and effectiveness of his theory.

Community Context

A. Community Profile

I. Demographic Context

Hispanics in Utah represent a sizable percentage of the population however due to social, political, and economic factors they often face more barriers to economic development than do other groups.

The Hispanic population in Utah has been growing steadily since the late nineteen-nineties and now represents the second largest ethnic population in the state at “13%” of the total population

(U.S. Census Bureau, 2013). The explosion of Hispanic growth in Utah resulted in a “78%” increase over the [past] decade” – “in fact the head count, taken once every 10 years, indicates that three out of every ten new Utahans who arrived by birth or immigration during the decade were [Hispanic]” (Davidson, 2011). Among this unprecedented growth there are an estimated “44,242 – 63,318” (Jameson, 2009) undocumented aliens in Utah, of which “88%” (Jameson, 2009) are adults. If the trend continues over the next decade, or even increases, Hispanics will represent at least one-third of the total population.

Traditionally Utah has largely been homogenous and still reports “80%” of its population as being White Non-Hispanic (U.S. Census Bureau); however with the recent demographic shake-up many of the traditional residents have struggled to acclimate to the changes, resulting in an increased *insider vs. outsider* mentality.

II. Economic Context

The Economic Policy Institute reported that during the fourth quarter of 2012, Hispanics experienced unemployment levels at “7.4%” (Austin, 2012) compared to unemployment levels of “5.2%” (Austin, 2012) for all groups combined.

For Hispanics that are employed, the work opportunities are limited, due to education levels skill sets, and opportunity, which means they are usually offered lower wages. Most Hispanics tend to work long hours in the service and construction industries, and the jobs they are offered generally limit the time they can spend with their dependent children. Additionally these types of jobs are physically demanding, and are seasonally based – meaning the income is not steady.

Some Hispanics however venture off into business development by starting their own businesses, and although they are certainly in the minority, there are some encouraging statistics indicating that the interest in MED is growing. One of the reasons for the increased interest is that MED is

that it offers a greater degree of stability than informal employment, but another factor has been the recent development of the e-verification system, which has created additional work exclusions. Hispanics that are unemployed cannot attain formal work because they lack the required social security and for those that are employed, if they experience job loss, will most likely be unable to return to formal employment.

Currently Hispanics only own about “3.7% of all businesses in Utah” even though they are the second largest ethnic group (Davidson, L.). According to the last census in 2010, “Hispanic owned businesses grew 78% - and revenues rocketed up by almost 138%. The Bureau has [also] noticed them, and says the growth rate for such businesses in Utah is among the fastest in the nation” (Davidson, L.).

Finally, and most importantly, The Pew Research Hispanic Center documented the earnings discrepancy between the two largest ethnic groups in Utah (Non-Hispanic Whites and Hispanics) by noting: “Non-Hispanic Whites 16 and older earn \$28,000 Area Median Income (AMI) compared to Hispanics 16 and older at \$20,000 AMI” (2010).

III. Social/Political Context

Given the demographic size, and the above mentioned economic statistics, the Hispanic community in Utah has one of the greatest needs for economic intervention. However, the challenges facing the Hispanic community are not limited to purely economic deficiencies but rather to those that are relevant to social/political areas. Research has shown that, “children from low-SES (low-socioeconomic status) households and communities develop academic skills more slowly compared to children from higher SES groups. Initial academic skills are correlated with the home environment, where low literacy environments and chronic stress negatively affect a child’s preacademic skills. The school systems in low-SES communities are often

underresourced, negatively affecting students' academic progress. Inadequate education and increased dropout rates affect children's academic achievement, perpetuating the low-SES of the community" (American Psychological Association).

Up until 2012 Hispanics had the lowest graduation rate in the State at 57% however they were able to increase this number by 5% and now have the second lowest graduation at 62% (Wood, B.). Still, "despite [the increase in graduation rates], a large performance gap remains between minority students and White students, who graduated at a rate of 82%." Ultimately however according, to the U.S. Department of Education, Utah has the "fourth-worst graduation rate in the country," when it comes to Hispanic students (Wood, B.). The correlation of graduation rates is largely dependent upon SES, educational attainment by parents, and the cultural priority ranking of education. Improving the economic status of Hispanics can help improve the education outlook of their children.

In addition to the social environment, the recent economic downturn has created additional challenges for Hispanics who have, unfairly so, been accused of suppressing wages, stealing jobs, and committing crimes at an inordinate rate. This scapegoat mentality has led to the passing of legislation that has increased profiling and discrimination. In 2010 (in response to a previous bill passed by Arizona), Utah HB70 gave police authorization to fulfill the function of border patrol officers and to check alien status without having any particular reason for doing so. Fortunately Utah has adopted other measures such as the Utah Compact (composition of religious and community organizations) which have taken a more rational/compassionate approach to immigration reform.

Finally, although 2nd, 3rd, and 4th generation Hispanics tend to report slightly higher criminal rates, mostly due to the SES and poverty indicators, the accusation that new arrivals increase

crime rates, is unfounded. According to Dr. Morgan of BYU, the arrival of “Hispanic and foreign-born population, actually correlates with a decline in crime” (Morgan, C.).

B. Community Needs Assessment

Utah has many development/social service programs that are dedicated to poverty reduction in general however the number of programs dedicated specifically to Hispanics and/or undocumented Hispanics is limited.

Most Hispanic-based programs evolve around English literacy, health education, cultural acclimation, cultural conservation, crime prevention, and translation services. There are only a few programs that are specifically dedicated to helping Hispanics develop economically.

According to the Salt Lake County Mayor’s office, the following are some of the program services currently available to Hispanics include:

- I. Latin American Chamber of Commerce: Training, trade, networking, discounts, statewide programs and events.
- II. Pete Suazo Business Center: “We accomplish our mission by: developing entrepreneurs through our offering of classes, mentoring and networking.”
- III. Spanish Waves: “Our mission is to bridge the business and marketing gap between Hispanics and Americans.”

In speaking with the President of the Latin Chamber of Commerce, Juan Manuel Ruiz, one of the current programs available from his organization is small/micro business development for Hispanics. Mr. Ruiz noted that there have been positive outcomes from their program and they have been able to help numerous micro-enterprisers with capacity-building, mentoring and business development. He noted that one of the benefits of coordinating microenterprise

development through the Latin Chamber of Commerce is that they are able to find suitable mentors among chamber members. However he also noted that there is much more to be done and that Hispanics are underrepresented in the community business environment. Mr. Ruiz believes that more needs to be done to help build awareness about the program and potential for all Hispanics to start their own business particularly for those that are undocumented, and are afraid to act because of procedural, social and political barriers.

Daniel Pacheco, president of the Pete Suazo center, gave a report similar to Mr. Ruiz but was also concerned that many of the 2nd, 3rd, and 4th generation Hispanics are often over-looked (excluded) because of their “Hispanic urban look” (tattoos, piercings, langue-accent, and skill-set). Mr. Pacheco noted that for 1st generation Hispanics the primary concern is that business development will lead to retribution by the community at large and may lead to increases in deportation, and so consequently many self-exclude. This attitude can be attributed to the recent developments in Utah wherein several representative from the Utah’s House of Representatives have proposed attaching a social security number to the business license of small business owners, so as to exclude undocumented immigrants from business development; but have thus far been unsuccessful in changing the laws. Mr. Pacheco went on to note that awareness and social justice are key areas that need to be addressed in order to make business development flourish. He finishes by noting there have been attempts in the past to increase business development however there always seems to be a detachment between business development and capacity-building, which has resulted in an abandonment of the effort; when this happens the new owner gets overwhelmed, feels discouraged, and also gives up.

C. Target Community

- I. Who: Undocumented and Mixed-status Hispanic families.
- II. What: Awareness & Capacity-building for micro-economic development, and then subsequent referrals to business development organizations such as the Latin Chamber of Commerce and Pete Suazo Business Center.
- III. Why: Hispanics are the second largest demographic in Utah however they suffer from some of the highest economic and social barriers when compared to other groups.
- IV. Where: Salt Lake County, Utah – through a referral process from the Salt Lake Community Action program and its community partners.
- V. When: 2013-2014

Problem Analysis

A. Problem Statement & Cause/Effect Comparison

Hispanics in Utah experience much higher levels of poverty and unemployment than does the primary demographic. Additionally there is a strong potential for business growth among Hispanic businesses; however, based on the per capita ratio, they are currently under represented in the small business segment. Therefore interventions in the form of awareness-creation and capacity-building are imperative in helping to overcome the problem.

The primary economic, social and political factors causing this negative trend can be summarized as follows:

- I. Undocumented status that limits the work opportunities afforded to documented immigrants and citizens– (An estimated 22% of Hispanics in Utah are undocumented).

- II. Low high-school graduation rates (62% compared to 82% for Whites) & lack of education value.
- III. Lack of understanding of community resources for business development. Language barrier.
- IV. Discrimination (housing, employment, finance, etc.). 78% growth of Hispanics in Utah in the last decade, culminating in 13% total population.
Hispanics only own 3.7% of businesses in Utah

The secondary effects of the economic, social and political causes can be summarized as follows:

- I. The combined effect of the SES and education attainment will further exacerbate current AMI and federal poverty level (FPL), meaning more Hispanics will reside below poverty.
- II. Disproportionate growth of Hispanic businesses may continue.
- III. Continued/increased discrimination as the Hispanic population will increase in vulnerability.
- IV. Decreased graduation rates as SES decreases
- V. Higher crime rates among subsequent generations
- VI. Higher levels of competition for available labor opportunities (formal and informal)

B. Stake Holders

Because the poverty issues relating to Hispanics in Utah are both extensive and complex, the proposed project alone will not result in a significant change unless it is accompanied by a larger network of invested stakeholders. The following table is a brief list of primary partners that will assist in carrying out the proposed project. Additionally the table offers a short statement as to the affiliation and/or relationship to the project.

Team Member Name	Affiliation and/or Relationship to Planned Project
Jordan School District Parent Advocate - Evelyn Sadler	Referring agency - will help organize awareness workshops & mobilize participants
Salt Lake Community Action Program (SLCAP) - Virginia Martinez	Base/referral agency - will help mobilize participants and organize community
Latin American Chamber of Commerce - Juan Ruiz	Referral agency for capacity building for program participants
The Pete Suazo Business Center – Daniel Pacheco	Referral agency for capacity building and microfinance
Preston L. Cochrane	AAA Fair Credit - Referral agency for microfinance and capacity building
Hispanic Chamber of Commerce(5)	SLCAP holds a membership with the Hispanic chamber and has direct access to resources and leadership
Comunidades Unidas	Referring agency – will help with community organizing
Centro Civico Mexicano	Referring agency – will help with mobilizing participants
The Utah Hispanic Business Leadership Foundation (“SOMOS”)	Referral agency – will help with capacity building
El Observador (Patricia Dark)	Communications liaison - will help disseminate awareness-raising and capacity-building events.
Salt Lake County (Mayor’s Office of Diversity Affairs - Rebecca Sanchez)	Government liaison - will assist with license processes and legal processes for starting a business.

Salt Lake Community Action Program (SLCAP) will act as the base agency for coordinating the project and will host the majority of awareness-raising activities. Below is a SWOT analysis for SLCAP:

SWOT ANALYSIS

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none"> - Centrally located in the state's capital - Non-competitive funding w/annual allocation. - One of a few advocacy CAPs in the U.S. - Qualified & licensed professionals - 40+ years of community service - Staff Development w/some new leadership - Highest output numbers among Utah social service agencies. - National Award for Head Start Program - Low turn over rates - Largest Food Bank in Utah - Research rich environment with evidence based research. - Owns land & property - Strong understanding and adherence to the mission statement. - Strong relationship with city and county governments - Leader in community organizing and coordinating of large scale activities - Large network of community partners primarily in the social services area - New Board President and ED, with the possibility of out of the box thinking. 	<ul style="list-style-type: none"> - Lacks staff diversity - Over tenured board & management heavy on traditional rather than progressive thinking. - Lack of a strong national & local name brand - Cash flow crisis (relatively new) - Lack of diverse funding w/little or no development. - Service gaps in food programs in terms of health and cost. - Poor relationship with state social service departments and state congress - Lacks substantial relationships with certain communities (i.e. refugees, business religious, etc.) - Programs provide a delivery of service but lack empowerment on the part of the client - Program activities tend to address poverty on the back end rather than the front end. - Cost/benefit of weatherization - the cost to weatherize a house exceeds fair market - Former board president died after 35 years of service and a great deal of expertise was lost. Programs do not necessarily support evidence from annual needs assessment. - Executive Director is set to retire this year after 40+ years of service.
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none"> - Development of streamlined services through all-in-one community center (recent). - Development of social enterprising by using preexisting resources (i.e. lunches through head-start, maintenance through weatherization, program fees through housing, etc.) - Mobilize/educate low-income families to the current political environment. - Create strong national brand name with a universal sign. - Create food program that is healthy and cost effective. 	<ul style="list-style-type: none"> - Sequestration with 10% cut, and the threat that the executive branch wants to cut CSBG and/or make the funding competitive. - State congress tends to oppose organizations that are politically active and could reduce state funding sources. - Shifting staff to unrelated positions due to economic need. - National shift towards all-in-one community based centers. - Loss of key leadership positions (i.e. ED, department

- Expand network to include religious, educational, business and other partnerships.	heads, etc.)
- Research other areas of program activities for evidence based outcomes - co-op. with institutions of higher learning.	- Reduced donations from private and corporate funders (i.e. American Express Wells Fargo, etc.)
- Take advantage of change in board president and new director to review needs assessment vs. actual programs, and the need to increase revenue through diverse development.	- Increased emphasis on accountability w/added paperwork.
	- Decreases in administrative costs from annual grants (i.e. ESG, EFSP, PAHTF, TBRA, etc.).

C. Community Economic Development

The long-term outcomes of this project are designed to assist the Hispanic community in increasing their rate of employment, improving the ratio of Hispanic owned-business in Salt Lake County, and increasing the AMI level for Hispanics. Conversely, if this outcome is met, it is theorized that the negative effects of the identified problem, will in some measure decrease. It is important to note that although the project will be available to the entire target population, contextually the scope of the project is limited in resources and will only be able to serve a small portion of potential participants. To help increase the effectiveness of the project, the intermediate and short-term activities will focus on well-targeted approaches to help filter those that are best suited for business development.

The intermediate outcomes of this project are to help participants increase access to business development resources, through education and training that ultimately lead to increased business development. Here the goal is to take the potential energy from short-term development activities and catalyze it into action. If successful, participants will begin to access the community resources needed to further develop, and ultimately finalize, their business plans.

The short-term outcomes of the project will be to assist Hispanics by raising awareness of the types of resources in the community with appropriate referrals, increasing business development

literacy, and providing basic training. The activities associated with this outcome will draw on a large pool of community resources in mobilizing and organizing the target population's members. If successful, this outcome will help identify well suited future entrepreneurs that can be referred to increased levels of development.

Literature Review

Since its inception and generalization in the 1970's, and in an attempt to distinguish it from other types and sizes of businesses, the term microenterprise has been described in various ways by different political and social entities. In the U.S., the U.S. Department of Housing and Urban Development (HUD, 2002) has defined microenterprise as a "sole proprietorship, partnership, or family business with five or fewer employees." The Association for Enterprise Opportunity (AEO, 2003), a U.S. based NGO, defines microenterprise as "the provision of support to businesses that generally require \$35,000 or less to start up or expand, and typically employ five or fewer individuals." The European Union (2003) has defined a microenterprise as an "enterprise which employs fewer than 10 persons, and whose annual turnover and/or balance sheet total does not exceed 2 million." Although there are many definitions that can be given, in short, the term micro-enterprise is used to define the smallest of the various types of businesses, and its use is generally connected with an increased level of hope for those that are on the bottom rung of the socioeconomic ladder. "Some scholars believe that microenterprise is a promising way to help the working poor, the unemployed and those who receive public assistance – this hope stems from a few programmes in the third world that serve massive numbers of people at a low cost to the fisc" (Schreiner, 2001).

Given the potentially broad application of microenterprise, promoters/capacity-building organizations have been obligated to focus their projects on a particular demographic and/or geographic target group in order to operationalize its individual application.

Based on the problem statement, and in conjunction with the proposed research project, the following is a review of literature that will be used to help determine appropriate community organization, awareness-raising activities and capacity-building methods. Additionally the review of literature will address barriers to implementation, potential participation, and the expected outcomes.

One of the primary challenges facing microenterprise development in a developed country, such as the U.S., is the fact that there are other options, including stronger support networks and wage labor, available. Additionally the start-up costs are higher, and in some cases navigating the red tape can be daunting. For first-world countries “the absolute increase in the number of people who would start small firms if they had access to microenterprise programmes, however, is probably about 1 per 100 for the unemployed and about 1 per 1,000 for those on public assistance” (Schreiner, 2001). So what are the institutional concepts of microenterprise, which is a risky endeavor for those that have many of the basic needs already met, that apparently make it unappealing?

Servon et al (2010) argue that “microbusinesses are critical economic actors in local and national economies. Yet, these vital actors face unique challenges and the policies and programs that serve them focus too narrowly. As a result, these programs fail to understand and respond to the range of needs this population faces.” Part of this failure stems from a systemic inability to differentiate between the poverty factors in a developed county versus those in an underdeveloped country. Other factors include the mission and target population. In light of these failings, Servon et al (2010) list four gaps within the current system: transitional, informational, institutional, and service delivery. Although their research was performed as a case study in specific area, Servon et al (2010) suggest that MDOs (micro development organizations), working alongside local government, can benefit from their research by

brokering relationships and creating new or expanding existing programs. In a similar take, Ortiz (2001) reviews the function of microenterprises in Latin America, the origin of the target population, and the roles of government and the microentrepreneur; and notes that “government policies towards the microenterprise sector should create favorable conditions conducive to the establishment and operation of financial institutions as well as specialized NGOs providing training and consulting,” because “public support for the microenterprise activity results in stronger and more dynamic private sectors capable of meeting the challenges of a globalized economy.”

In a separate article, Servon (2006) briefly reviews the history of microenterprise in the U.S. and recognizes that based on the current scale of growth and sustainability, significant changes are needed – among such are those relating to the following three areas: restructuring – “shift from vertical integration to a more horizontal industry structure;” innovation – “Nonprofit organizations in general tend not to prioritize innovation in the way that for-profit firms do. Yet given that customer bases shift and needs change, it is important that nonprofits think hard about innovation, particularly given the generally tight funding environment in which they operate;” and standardization – “The issue of accreditation also addresses standardization. Lack of accreditation, regulation, or both make the microenterprise development field opaque and less likely to attract funding and investment. Funders and investors cannot be sure what they are getting when they choose to put their money into a microenterprise development program.” Ultimately the need for these changes requires a change in mentality and Servon (2006) aims to move this type of thinking from a “social service mentality to a business mentality.”

The idea of accreditation and standardization can be important factors in defining the general mission of microenterprise development as well as the expected outcomes; however equally important is the methodology employed and the need for effective targeting. Although it is given

that the poor everywhere are in need of development, not every poverty sector in the developed world is necessarily applicable to microenterprise.

Microenterprise development must then be consistently flexible in its standardization and application. Two groups however that report higher propensity towards entrepreneurship among low-income earners, albeit usually through informal processes (day-laborers, unlicensed contractors, etc.) are immigrants and refugees; however, Hispanics are often underdifferentiated with other poverty sectors meaning that development opportunities are not well-targeted.

“Policies crafted in a one-size fits-all mold, however well intentioned, have contributed to the unchanging nature of the Latino business community indicators” (Robles and Guzman (2007)

Given the origin of these individuals it makes sense that the strategy for income through entrepreneurship would more closely mirror the third-world; however in the case of undocumented immigrants residing in the U.S., and given the recent economic pinch, self-employment often becomes the only option for viable income. The largest group of undocumented immigrants in the aggregate is Hispanic/Latino. Understanding these populations, their barriers for employment and microfinance, and then developing effective capacity methodologies, would indeed help make microenterprise venture in the developed world more successful. One such researcher, Bhimji (2010), “trace[d] the ways in which Latino immigrant day laborers in Los Angeles, California, manage[d] their lives during [the economic turmoil of the Great Recession].” Bhimji cites Valenzuela (2010) in defining the informal day-laborers as individuals “who congregate in open-air curbside or visible markets such as empty lots, street corners, parking lots, designated public spaces, or store fronts of home improvement establishments to solicit temporary daily work.”. With this working definition Bhimji (2010) went on to narrate the complex strategies that were used to navigate the effects of the Great Recession, as follows: “The day laborers saved diligently, spending only on what they

considered to be necessary items. They were forced to curtail the remittances they sent to their families residing in their home countries. They made increased efforts to understand the demographic map of the city so that they would not waste their time waiting for prospective work at curbsides where there was no work and possibly risk police harassment. Social relationships and social networks which included mainly friends in the Los Angeles area played an important role in enabling the men to cope economically and morally.” Although the majority of the informants were rather pessimistic when it came to immigration reform, integration, or the bleak reality of having to return home or move elsewhere, they had nonetheless adapted as best could be expected given their resource set, and the challenges they faced.

In a similar study, Zuiker et al (2003) researched earning rates of self-employed Hispanics by demographic and determined that “income differences by gender do exist among California Hispanic self-employed sector,” where “Hispanic self-employed men’s income in any one of the occupational categories is at least 40% higher than is the mean income for Hispanic self-employed women.” Zuiker et al (2003) also noted that “Hispanic self-employed men were slightly older, worked more hours, and were more likely to be married with spouse present compared with Hispanic self-employed women.” It can be hypothesized that similar rates of earnings may be present in other areas throughout the U.S. however further research is needed in order to validate this claim.

To help understand the factors that drive higher than average rates of entrepreneurship among Hispanic/Latino populations in the U.S., Robles and Guzman (2007) review twenty-five years-worth of interdisciplinary literature on Latino entrepreneurs and make the following conclusions: “(1) low educational attainment continues to be statistically significant and may be a driving force in creating the push into self-employment while contributing to the marginal existence of many Latino small businesses, (2) lack of financial resources (either personal wealth or access to

capital) for operation and expansion purposes contributes to blocked business stage growth, and (3) Latino entrepreneurial activity continues to be concentrated in the service sector.” A fourth aspect must also include the undocumented status, given that 20% or more of Hispanics are without legal status.

Although Hispanics tend to actively participate in informal self-employment, research has shown that they are underrepresented in the formal business community. Perhaps part of this trend may have to do with the level of education and skill set of the worker, or the methodological approaches and/or targeting by the service provider, but in addition social statistics indicate that there are discriminatory barriers as well. Cavalluzzo and Wolken (2005) provide important insights into the insidious bias towards lending opportunities for different ethnic and racial groups in light of their personal wealth. Their study sought to determine if personal wealth was a factor in remediating the “large differences [found] in loan denials between small firms owned by white men and other demographic groups.” Based on the data collected Cavalluzzo and Wolken (2005) conclude: “Although the evidence of disparate access associated with lender market concentration is mixed and the cause of the observed disparities are ambiguous, we conclude that information on personal wealth does little to rule out discrimination as a potential explanation for the large difference in denial rates across demographic groups.” Denial rates for Hispanics and African Americans were the highest among all studied groups (Cavalluzzo and Wolken, 2005).

In separate study, Cavalluzzo et al (2002) conducted research on denial rates based on demographic groups and concluded that “Hispanic owners paid more than others for lines of credit in less competitive lender markets.” Additionally Cavalluzzo et al (2002) noted that “Hispanic Male small business owners were 10% more likely to have been denied credit within the last 3 years and 2.7% more likely to have had their most recent loan application rejected than

those owned by “White males,” and “denied trade credit more than twice as frequently.” In short, although there might be other factors used to account for this discrepancy the facts still remain that Hispanics will struggle more in securing credit than will Whites and discrimination appears to be one of the prime factors.

Capacity building efforts surrounding microenterprise have generally focused on intake rather than exit because funding is primarily based on recruiting more so than long-term outcomes; however Ortiz argues that in order for microenterprises to reach their potential they must have “sustainable transfer of knowledge by specialized NGOs” (2001). Conversely if the microentrepreneur is left alone, then the likelihood of success is minimal (Ortiz (2001).

Similarly, Nelson (2000) notes that “Microentrepreneurs often claim that what they need most is capital. Yet, when they seek out microenterprise development programs, the vast majority of clients also want information, technical support, marketing assistance and legal advice. In short, they need training and technical assistance of a broad and substantive nature.” This take is consistent with most reports both for developing as well as developed countries, where MDOs exist and is one of the primary barriers to sustainable development, however Nelson (2003) breaks the resource list of microentrepreneurs down into four categories: “knowledge, networks, support and capital – and three of these four elements are nonfinancial services that are in scarce supply for inexperienced, often isolated entrepreneurs working from home.” Nelson (2003) goes on to list core training that is generally needed for each entrepreneur as: “business training, economic literacy, and personal effectiveness.” Finally Nielson (2003) states that there are “two issues” that affect program efficacy – “impact and cost” – in other words providing a service that provides results for the participant and/or funder at a reasonable cost.

In terms of capacity building, The Peace Corps Volunteer Microenterprise Training Guide sets forth a methodological approach to development based on the premise that there are millions of

poor around the world eager to improve their economic status. The Peace Corps (2003) notes: “Poor families launch microenterprises to generate income, build savings, and acquire assets as a cushion against natural disaster, illness or death, and other crises.” The Peace Corp (2003) divides its manual up into the following five modules that discuss: i.) why microfinance is effective at reducing poverty, ii.) the types of microfinance methods, iii.) how to operate a microfinance, iv.) the important of nonfinancial business development, and v.) the role of a business counselor.

Project Design Logic Model

A. Logic Model

As was discussed in the later part of the problem analysis, the vision (long-term outcomes) of this project is to increase business development among the Hispanic population so that it will in turn decrease the level of unemployment and subsequently improve AMI levels for the Hispanic demographic. The intermediate outcomes can help with this process by providing the link between business development education and resource acquisition. The short-term goals will provide a knowledge base of business development/management so that by the end of the initial educational process, the participant will be able to know if they are ready to move forward with business development activities and/or if not, what they need to improve on before advancing.

SLCAP Logic Model – Microenterprise Development -

Program: SLCAP Microenterprise Development Project

Goal: To assist the Hispanic community in increasing their rate of employment, the ratio of Hispanic owned-business, and increase the AMI level.

Scope of Work: It is important to note here that although the project will be available to the entire target population, contextually the scope of the project is limited in resources and will only be able to serve a small portion of the entire population. To help increase the effectiveness of the project, the intermediate and short-term activities will focus on well-targeted approaches to help filter those that are best suited for business development.

Inputs	Activities	Outputs	Outcomes		
<ul style="list-style-type: none"> SLCAP – will provide 2 employees, office space for work and for workshops, \$127,010 in CSB project funding, volunteers and published materials.. Community partners will provide 8 employees, workshop space, training equipment and publications. SLCAP and community partners will provide 500 referrals to the development program 	<ul style="list-style-type: none"> Organize the identified community (undocumented and mixed status Hispanic households in Salt Lake County Utah) through preexisting support structures and specialists. Conduct a survey among the targeted community for quantifiable data, and then follow up with focus groups. Provide educational workshops on the steps for creating a micro-enterprise. Potential entrepreneurs will receive education for marketing, legal procedures, and accounting, through interactive forums. v. Potential entrepreneurs will be connected with community resources individually tailored to the specific MED need. Potential entrepreneurs will receive increased technical training for business management, including accounting, HR, leadership skills, marketing, financing, etc. Microentrepreneurs will receive ongoing supportive service for technical assistance and mentoring for post-development activities: including advocacy, networking, marketing, legal issues, and management issues. 	<ul style="list-style-type: none"> 5 organizations will assist in organizing the community 400 individuals will be invited through survey and group forums to participate in project. 200 individuals will participate in general workshops for MED 100 potential entrepreneurs will receive increased specialized training for MED. 50 potential entrepreneurs will be referred to increased specialized mentoring and training programs. 40 entrepreneurs will receive specialized business management training. 25 entrepreneurs will open a business 	<p><i>Short-term</i></p> <ul style="list-style-type: none"> Participants with information barriers will have an increased knowledge of the general resources needed to create a microenterprise. Participants with business skill-set barriers will have an increased ability to manage a microenterprise Participants that lack adequate networks and business supportive services will gain access community resources 	<p><i>Intermediate</i></p> <ul style="list-style-type: none"> Participants that have fulfilled with the short-term outcomes will further increase their technical knowledge of MED. Participants will open a microenterprise 	<p><i>Long-term (out of 110:)</i></p> <ul style="list-style-type: none"> Participants will increase their rate of employment through MED self-employment. Participants will increase the AMI for their demographic Participants will increase the rate of Hispanic-owned businesses for their demographic.

In order to provide the necessary inputs, the project will rely primarily on a preexisting network of service providers for participant referrals. These organizations, including the host organization, already provide varying types of social services throughout Salt Lake County and it is anticipated that there will be more than enough referrals needed to accomplish the intake goals. Additionally these organizations already have built-in infrastructures with budget allocations towards service offices, class rooms, training materials, and staff. Only the Host organization will allocate funding towards two staff salaries specifically dedicated to the project.

The outputs contained in the logic model are contingent upon the quality and effectiveness of the proposed activities, and will be measured primarily off three main emphases: community organizing, awareness-raising, and capacity building. The activities/outputs related to community organizing will largely be the result of participating community partners in helping mobilize and organize the target population. The activities/outputs related to awareness-raising and capacity building will largely be dependent upon program curriculum and appropriate referrals as participants move through the process.

Methodology and Implementation Plan

A. Participants:

Based on the research associated with the problem statement and project analysis, and literature review, the project proposal will target undocumented and mixed status Hispanics. This target population, in many ways, parallels impoverished groups living in third-world both in terms of their level of opportunity for economic development when compared to the legal populace, and in terms of their degree of motivation to participate in MED activities, due to their inordinately high levels of poverty. Considering the level of success of MED in the third-world it is theorized

that a similar approach adapted to the -conditions of the first-world, will result in more effective outcomes than those that were documented in the literature review.

The geographic area for participant intake will take place in Salt Lake County Utah, where there is a high concentration of Hispanics and community support structures. According to a recent RCAP (racial concentration of poverty) analysis by Wood, Downen, Benway and Darius: “In Salt Lake County, there are three RCAPs, two of which are in Salt Lake City. One lies in the River District along the west side of I-15 and east of the airport. This RCAP is located in a low employment tract with few bus routes traveling north to south. The other is just east of I-15 toward the southern end of the city, just above I-80. Again, this RCAP is located in a low employment tract in the county” (2013). The outreach efforts will focus on the RCAPs above as the targeted population is more densely concentrated in these areas.

Beyond the demographic and geographic imperatives, participants will be targeted at or below 50% of AMI of Salt Lake County, as this income level tends to be the minimum threshold required for a livable wage, and is generally connected to very low-income earners. Additionally, participants will be unemployed or underemployed, meaning that their current earnings are below what they are accustomed to earning at previous employment or what they feel they should earn based on their knowledge, education, and skill-set. Although there are no specific requirements for preexisting public assistance, it is anticipated that 95% or more will have some form of subsidy, although it is important to note here that the targeted population, when compared to other poor populations, has an overall lower access to community/subsidy (governmental) resources due to their legal status.

B. Community role:

In order to meet the outputs of the proposed project it is imperative that there is sufficient community support from a wide variety of stakeholders, especially the host organization.

Ancillary agencies will primarily fulfill with one of the following three roles:

- A. Community organizing: organize the identified community (undocumented and mixed status Hispanic households in Salt Lake County Utah) through preexisting support structures and specialists. During this process individuals will be identified, surveyed, and referred to group forums as applicable.
- B. Awareness-raising: provide educational work-shops for the various steps of MED. During this process participants will become familiarized with MED and will begin to formulate the initial process of theorizing their own business.
- C. Capacity-building/Ongoing support: provide intermediate and advanced training, skill-development, and resource acquisition for those on the cusp of developing their own business. During this process participants will develop sufficient business acumen to open their business and begin operationalizing their plans. During the start-up period participating agencies will provide ongoing support for business owners as individual needs arise.

The following graph illustrates the stakeholders involved, their roll, and level of participation:

Stakeholders	Roll	Number of Staff	Level of Participation (1-10)
Jordan School District	A – referring agency	1	9
Salt Lake Community Action Program	A,B, C – Host Organization	2	10

Latin American Chamber of Commerce	C – referral agency	1	7
The Pete Suazo Business Center	C – referral agency	2	8
AAA Fair Credit	C – referral agency	1	4
Hispanic Chamber of Commerce(5)	C – referral agency	1	7
Comunidades Unidas	A – referring agency	1	3
Centro Civico Mexicano	A – referring agency	1	3
The Utah Hispanic Business Leadership Foundation (“SOMOS”)	C - Referral agency	1	7
El Observador	A - Communication liaison	1	9
Salt Lake County (Mayor’s Office of Diversity Affairs - Rebecca Sanchez)	A,C.- Government liaison	1	7

Based on the level of involvement, stakeholders will greatly affect the intake and output process by identifying/referring appropriate participants and subsequently educating and developing them. If there are shortfalls in the intake process by dependent agencies (i.e. the project fails to identify/intake 400 individuals), then invariably there will be deficiencies in the subsequent stages. Additionally, if the initial short-term outcomes are met, albeit without sufficient involvement from stakeholders during the subsequent stages, then it stands to reason that the intermediate and long-term outcomes will no doubt suffer. To help plan for stakeholder attrition there will be other, albeit smaller, stakeholders that can be called upon to take on a larger role if needed. Finally the host organization will allocate additional emergency resources, if needed to hire additional supporting staff.

C. Host organization

Salt Lake Community Action Program (SLCAP) will play host to the proposed project, and will coordinate the efforts with other supporting agencies. SLCAP is a not-for-profit organization that provides a wide range of services aimed at helping low-income people become self-sufficient. These services include Head Start (early childhood education), Weatherization (home efficiency program), HEAT (utility assistance program), Housing (mortgage, rent, and deposit assistance), Employment Readiness (resume writing, job interview skills), Food Banks, and advocacy (addressing legislation affecting low-income populations). During 2012, the United Way of Utah reported that SLCAP received more referrals than any other NGO in the state, with the two largest requests being food and housing. SLCAP's capacity level and involvement in the community truly make it uniquely qualified to host the proposed project,

During the project period, SLCAP will primarily be responsible for coordinating the intake process and facilitating the initial education of participants. Later, SLCAP will coordinate the referrals to other capacity-building services that are better equipped to provide a larger degree of technical assistance. Finally SLCAP will make itself available for ongoing support as micro-entrepreneurs request help during the post-development period.

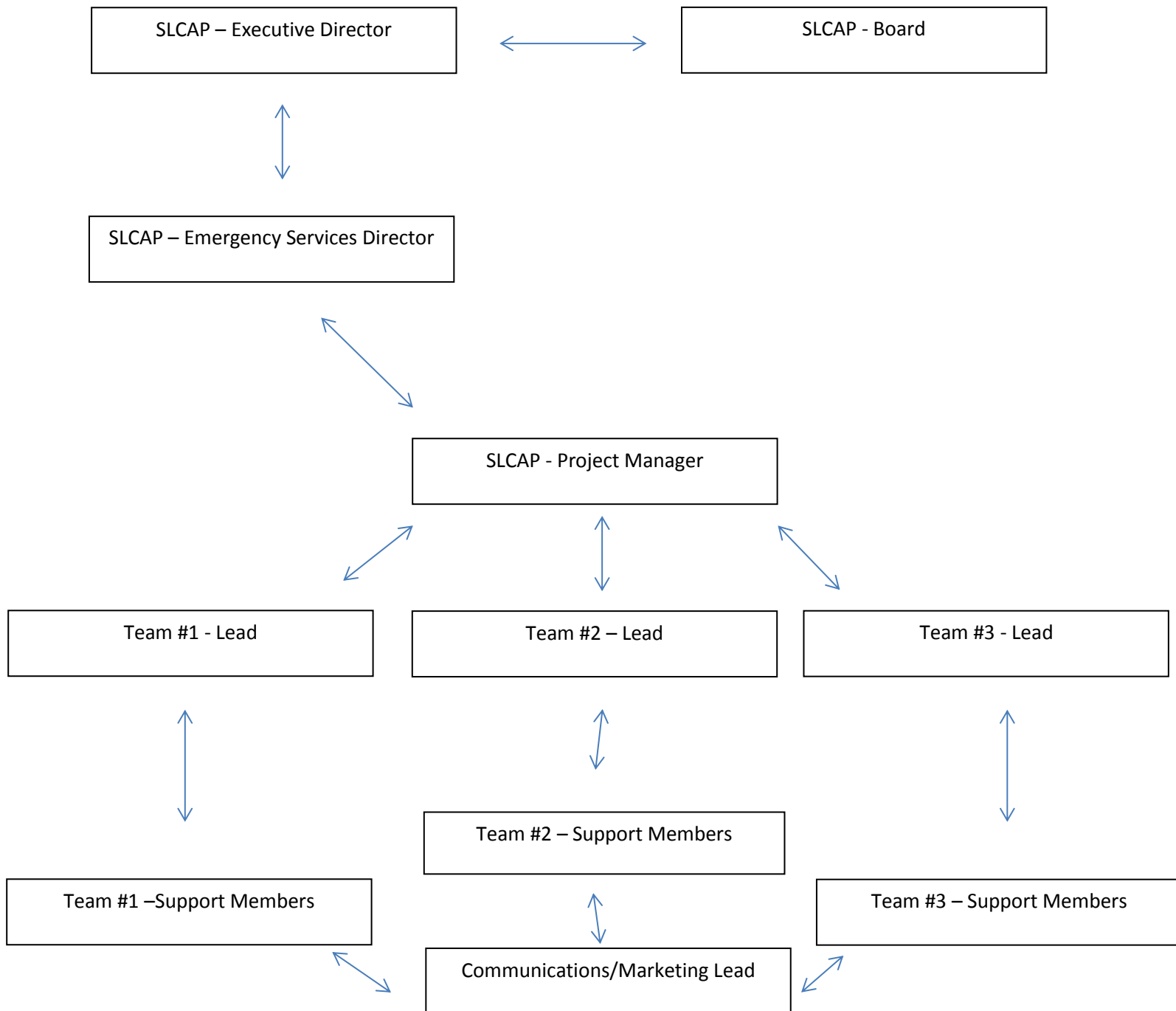
The thesis candidate, who is a current employee of SLCAP, will take on the role as the MED coordinator and lead educator, and will work under the direction of the Emergency Services Director. In this role he will act as a lead/liaison in coordinating the project activities among various stakeholders, including: community organizing, awareness raising, and capacity-building. Additionally he will oversee/participate in the awareness-raising activities provided by the host organization. Finally, he will coordinate the collection and dissemination of program data.

D. Project Roles and Staffing:

The proposed project will only have two paid staff members dedicated at full and part-time to the project however ancillary agencies will be providing support through preexisting programs. The following is a short break-down of the host positions.

Name of Organization(s)	Title	Responsibilities	Employment Rate
SLCAP	Project Coordinator	Responsible to oversee all program activities and to coordinate with other agencies	Full-time
SLCAP	Community Organizer	Responsible to organize participants through preexisting SLCAP program intake processes.	Part-time

i. Project Communication & Command Chain



E. Project Implementation Gantt chart:

The following graph illustrates the timeline and deadline for the major project components.

During the initial stage of the project year, activities will be geared towards surveying, group forums, and community organization. Once a sufficient number go through the intake process, the subsequent activities related to awareness-raising will commence, however there will be a thirty-day overlap with the first period. Finally as awareness raising activities come to a close, the project will enter the capacity-building phase and will end in March '14. Although the project activities will end in '14, SLCAP will make itself available for two additional years for ongoing support.

Activities	Aug. '12	Feb. '13	July '13	Nov '13	Dec '13	March '14
Community Organizing						
Awareness-raising						
Capacity-building						

F. Pro Rata Budget

The following is the budget breakdown of the proposed project with planned funding based on 2013-2014 grant allocations. The host organization will provide funding from its CSBG grant and will begin allocating funding by October '13. The expense items listed below are in line with the activities and outputs that will follow in the logic model however it is important to note that this budget only represents the planned revenue/cost incurred by the host organization – all other referral agencies will document and allocate their own individual budgets in line with preexisting

services. Most of the expense will go towards staff as the project is primarily educational in nature and will require that more resources are poured into staff expenses than in equipment and/or supplies.

SLCAP Pro Rata Budget

Microenterprise Development

Expense Category	Planned Expense	Actual Expense	Variance	Balance
Materials				
Handouts/Materials	\$5,000.00	\$2,723.00	\$2,277.00	\$2,277.00
Advertising				
News (articles)	\$500.00	\$468.00	\$32.00	\$32.00
Website (Host/Server)	\$360.00	\$190.00	\$170.00	\$170.00
Other	\$0.00	\$0.00	\$0.00	\$0.00
Administrative Expenses				
Fax/Copies	\$1,200.00	\$674.00	\$526.00	\$526.00
Postage	\$100.00	\$48.00	\$52.00	\$52.00
Office Supplies	\$1,100.00	\$857.00	\$243.00	\$243.00
Accounting	\$8,300.00	\$4,750.00	\$3,550.00	\$3,550.00
Travel Expense				
Mileage	\$1,200.00	\$675.00	\$525.00	\$525.00
Parking	\$50.00	\$15.00	\$35.00	\$35.00
Meals/kick off	\$300.00	\$167.00	\$133.00	\$133.00
Operating Expenses				
Utilities	\$600.00	\$457.00	\$143.00	\$143.00
Insurance	\$800.00	\$550.00	\$250.00	\$250.00
Rent (Office Space/ Teaching space)	\$6,000.00	\$4,800.00	\$1,200.00	\$1,200.00
Salaries	\$75,000.00	\$52,000.00	\$23,000.00	\$23,000.00
Benefits	\$25,000.00	\$17,160.00	\$7,840.00	\$7,840.00
Miscellaneous	\$500.00	\$139.00	\$361.00	\$361.00
Total Expenses	\$127,010.00	\$85,673.00	\$41,337.00	\$41,337.00
Revenue Category	Planned Revenue	Actual Revenue	Variance	
CSBG	\$127,010.00	\$85,673.00	(\$41,337.00)	(\$41,337.00)
Net Income	\$0.00	\$0.00	\$0.00	\$0.00

Monitoring

To ensure that the project is carried out in a timely manner, and that each activity fulfills the measure of its creation, it will be important to monitor the consistency of the project within the proposed time-frame. Additionally the funding source noted in the pro forma budget (CSBG) also requires quarterly and annual reporting in conjunction with federal requirements. Each reporting interval will present an opportunity to review the outputs of the proposed activities and to ensure that deficiencies or excesses are documented for subsequent evaluation, and provide. Below is the matrix that will be used to monitor the proposed MED project:

A. Monitoring Schedule

Monitoring Report Matrix						
Activities	Dates	Status	Timeliness	Reason for Delay	Delay Intervention	Output Achievement
Review Stakeholders input resources (fiscal and Physical)	Start: Aug' '12 End: Nov '12	Completed	As Planned	N/A	N/A	Output 1: 5 of 5 organizations assisted in organizing the community and targeted population.
Concretize stakeholders roles and responsibilities	Start Nov', '13 End Nov', '12	Completed	Delayed	Schedule conflicts	Broke into smaller groups	
Develop/review MED curriculum	Start: Oct', '13 End: Dec', '12	Completed	Late	N/A	N/A	
Review/develop needs assessment/survey	Start: Nov '12 End: Dec '12	Completed	As Planned	N/A	N/A	
Evaluate/shore up Filtering mechanisms	Start: Aug' 12 and End: Nov'1 '12	Completed	As Planned	N/A	N/A	
Conduct Survey/needs assessment	Start/End: Feb', '13	Completed	As Planned	N/A	N/A	Output: 376 of 400 individuals were invited to participate in group forums and surveys.
Hold focus groups	Start/End Feb', '13	Completed	Delayed	Schedule Conflicts	Broke into smaller groups	
Provide MED beginners workshop & provide referrals to other stake holders	July' 3, '13 and Nov' 24 '13 (twice)	Completed	In-progress/ On-hold	Budget restraints: CSBG is frozen	Negotiating with State for release of CSBG funds	Output 3: 160 of 200 individuals participated in beginner workshop

for increased assistance.	a month until Aug '13			and alternative funding has not been approved.	& finalizing private funding development	Output 4: 128 of 160 participants will increase their knowledge of MED.
Provide workshops and individualized assistance for participants ready to start business, and refer to appropriate agency partner	Start: Dec '13 to End: Mar '14	In-progress	Same	Same	Same	Output 5: 0 of 100 participants were referred to increased specialized training and mentoring. Output 6: 0 of 40 entrepreneurs received specialized business management training Output 7: 0 of 25 microentrepreneurs opened a business
Provide ongoing supportive services microentrepreneurs	Start Jan '15 to End: Dec '15	Not Started	Same	Same	Same	Output 8: 0 of 25 returned for ongoing assistance

B. Teams/Tasks

I. Stakeholders

Host Organization: Salt Lake Community Action Program

Primary Stake Holders: Jordan School District, Pete Suazo Business Center, Latin Chamber of Commerce, Hispanic Chamber of Commerce, El Observador, and Salt Lake County government (Mayor's Office of Diversity Affairs).

Secondary Stake Holders: AAA Fair Credit, Comunidades Unidas, SOMOS, and Centro Civico Mexicano.

Evaluators:

Host Organization: Emergency Services Director and Tri-parte board – the development committee.

C. & D. Methods, Tools, Forms & Monitoring Indicators

The matrix below contains the measurement indicators for the project's progress over the planning and implementation periods, and will provide needed interventions for deficiencies that arise through the monitoring process. However, currently the project is in the planning period but there are several important questions that can be raised in determining the project's progress thus far. The evaluation will be based on the preparation activities leading up to program implementation based on the following short-term outcomes:

- i. Participants with information barriers will have an increased knowledge of the general resources needed to create a microenterprise.
- ii. Participants with business skill-set barriers will have an increased ability to manage a microenterprise.
- iii. Participants that lack adequate networks and business supportive services will gain access community resources

Develop Community Partnerships and Define Project Responsibilities		
Measurement	Question	Method
Goal	Do the community partners have a firm understanding of their role and what will be required of them for the project?	<ul style="list-style-type: none"> • Meetings • Email • Phone conferences
Curriculum	Have the community partners identified/developed curriculum material and has it been evaluated for the target population?	<ul style="list-style-type: none"> • Expert/technical evaluation • Research • Observation
Site resources	Do the community partners have sufficient infrastructure and resources to accommodate an increase in referrals either to or from their agency?	<ul style="list-style-type: none"> • Observation
Funding	Do the community partners have sufficient funding to accommodate the influx in referrals either to or from their agency?	<ul style="list-style-type: none"> • Expert/technical evaluation

Organize Target Community Through Survey and Focus Groups		
Measurement	Question	Method
Goal	Is the host organization and ancillary stake holders equipped to conduct ongoing needs assessment, surveys focus groups to identify and intake well-targeted program participants?	<ul style="list-style-type: none"> • Meetings • Email • Phone conferences
Needs Assessment/survey	How can the current needs assessment/survey be improved or what information is lacking to better explain the need for the target group?	<ul style="list-style-type: none"> • Expert/technical evaluation • Research
Filtering Mechanisms	Are there any filtering	<ul style="list-style-type: none"> • Observation

	mechanisms through the preexisting structures that categorically exclude a segment(s) of the target population?	<ul style="list-style-type: none"> • Research • Expert/technical evaluation
--	---	---

Evaluation

A. Evaluation Variables Indicators

For the proposed project there will be several evaluations conducted at different intervals to assist with research preparation, program administration, and project outcomes. Each of these evaluations will help validate need, target population, program efficiency, and program effectiveness.

The following evaluations provide a brief summary of the type of evaluation and the purpose:

B. Data Gathering Methods, Tools, Forms

Formative

Needs Assessment:

i. Purpose – the needs assessment will be used to determine the population that is need of assistance, how much need they have, and the type of service(s) that might effective in meeting their need. Because the host organization is dedicated to a specific mission statement, and is limited in its scope of work and resources, it is important that the proposed project fit within the preexisting service structure, and that the needs assessment collect enough information to make this determination.

Implementation/Process evaluation:

ii. Purpose – the implementation/process evaluation helps to oversee the project's objectives by monitoring activities, methodology, and feed-back, so that adjustments can be made ad hoc (if needed) and outputs and outcomes are tracked effectively. This evaluation will determine whether activities, outputs, and outcomes are being met efficiently and effectively – and if not it will also offer alternative solutions to program deficiencies and/or output/outcome goals.

Summative Evaluation

As the project comes to a close the short, intermediate and long-term outcomes will need to be evaluated based on the actual outcomes. Additionally, based on the outcomes, this evaluation will help in determining if the project was successful both quantitatively and qualitatively.

Qualitative –

- i. A summative evaluation in survey form, given to program participants, will be used to help determine variables that are helpful (and less helpful) in developing microenterprises. This survey will be given at the end of program participation and then every six months for two years. The response rate for this survey will be 75% after first year and 60% during second year.
- ii. Staff will be interviews following the end of the program to help collect observed variables that helped in achieving successful

Quantitative -

- i. Prime outcome indicators (intake assessment, testing, point-in-time exit assessment, surveys, etc.) will be used to measure the level of change in knowledge from intake to exit, access to resources, management skills, level of employment, income earnings, and network of resources.
- ii. The rate of reported business development due to project interventions will be compared with general rates of Hispanic business development in the same area as well as other areas.

C. Data Analysis

Outcome Evaluation:

- i. At the conclusion of the project, the outcome evaluation will seek to answer the following questions based on the short, intermediate and long-term goals:
 - a. Was the project effective and efficient at decreasing unemployment rates among participants?
 - b. Was the project effective and efficient at increasing growth of Hispanic-owned businesses?
 - c. Was the project effective and efficient at increasing the AMI levels of participants?

Additionally, this evaluation will address the future of the project and how changes might be made to more effectively and efficiently meet the community needs.

D. Evaluation Team/Tasks

- i. Each team leader will be responsible for evaluating community organizing, awareness raising and community organizing for their respective groups. Additionally the project manager will evaluate each team leader in their respective role.
- ii. Evaluation will be measured through survey, observation, and outputs.

E. Evaluation Schedule

The evaluation will occur on a monthly and quarterly basis during staff and board meetings. In the commencement of the project evaluation will take place on weekly basis for program activities and logistics to make sure feedback items are dealt with in a timely manner.

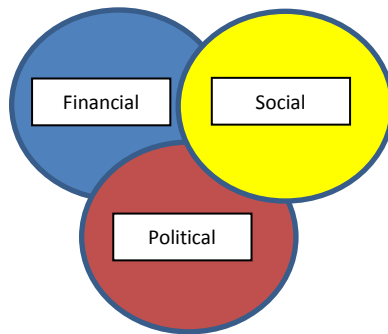
Sustainability

In reviewing the body of literature of development, it is apparent that there have been many definitions and models that have been used to describe the process and structure of sustainable development but most seem to share some common elements. Perhaps the most frequently quoted definition comes from the Brundtland Report (WCED): “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (1987). This definition, along with others operates off of the following three premises:

1. Economic resources should be prioritized to helping communities that reside in poverty.
2. The interplay of technology and social organizations limits the availability of resources for present and future generations.
3. Sustainable development transcends space and time by interconnecting present and future communities.

Though this definition appears to be quite lofty, to put it in perspective, it might be important to note that sustainable development usually does not transcend space and the time at inception, but rather it can years, decades or even a life time for the interconnectedness to take place. Like a seed that is planted, sustainable development usually starts out small and then hopefully gains traction later on.

Consequently sustainable development projects must focus the limited resources available on specific outcomes, and then later leverage the results into a larger system of sustainability. The outcomes of the proposed project will operate within the bounds of the following systems:



Financial

The proposed microenterprise project is fundamentally financial in nature and has as its primary objective to elevate the AMI of each participant and to help them sustain the elevated income through ongoing supportive services. Although there are some resources in place for the target population (Low income undocumented/mixed status Hispanics) to develop economically, the population at current level is underrepresented in the business place and reports inordinate levels of poverty.

In terms of the scope of the project (i.e. number assisted versus outstanding need) the actual impact will be small but the idea/model it creates will hopefully grow into increased efforts with larger, more significant outcomes. If the project outcomes are achieved, it will help in decreasing the effects of the

Proposed funding is currently contingent upon federal CSBG allocation, however given the precarious nature of the federal budget, private funding development has been identified among religious donors, and program fees.

Political/Social

Without wide sweeping immigration reform, many of the current economic challenges facing undocumented/mix status families will not diminish with microenterprise alone. Historically nationally and locally, when this population has started to develop new and creative ways for economic development, there have been political/community efforts to thwart such efforts. Most recently, in Utah law makers attempted to require that small business owners attach a social security number to the individual business license because of the growing segment of undocumented contract labor, but fortunately it was defeated. Nationally, the effort to put in place comprehensive immigration reform has been unfortunately derailed to due to the current budgetary issues however there is still some optimism that legislation could be presented this coming year. Fixing the immigration system however may ultimately diminish the effectiveness of the project if the target population is given access to the same set of resources as other impoverished demographics, who currently, do not respond well to microenterprise opportunities.

Ultimately many of the poverty indicators associated with this demographic are connected to the socioeconomic strata, including: graduation rates, nutrition, self-development, college attainment, post graduate attainment, and criminal activity. Improving the economic status of the target population through this project, can have secondary effects on other areas listed above, however it is not the direct focus of the program.

Results

Short-term Outcomes:

1. Participants with information barriers will have an increased knowledge of the general resources needed to create a microenterprise.
 - a. Of the proposed number of organizations to assist in community organizing activities, 5/5 actively participated which was 100% successful. Of the proposed number of individuals to be outreached, the project had a 94% (376/400) success rate only falling short 24 individuals. During intake, individuals participated in a standardized evaluation & brief one hour introductory work-shop, and self-reported their level of understanding of the general resources available/needed for successful microenterprise development. Nearly 90% of those evaluated, self-report an increased level of understanding however, to put it in terms of significance, the following breakdowns were made:
 - i. 49% of those that experienced an increased level of MED understanding, raised their intake evaluation by an average of 35%.
 - ii. 22% of those that experienced an increased level of MED understanding, raised their intake evaluation by an average of 15%
 - iii. 29% of those that experienced an increased level of MED understanding, raised their intake evaluation by an average of 4%
 - b. This short-term outcome was based on activities associated primarily with community organizing. The goal was to have five separate organizations identify appropriate participants, organize them based on geography and schedules, and assist in referring these individuals to the introductory MED workshops. 94% of Participants were identified and referred through a

preexisting social service network, particularly those agencies that provide direct client services to the target population.

Although there were two articles published in the largest Spanish news Paper (El Observador) in SLC, only 10% of the participants came without a referral. Interesting enough those that came without a referral tended to self-report higher levels of interest in subsequent capacity building activities but it is unknown if this is representative of the whole or if those that were more motivated participated.

c. Based on the percentage of participants that reported an increase in knowledge, this attainment outcome appears to be successful. However when compared with the number of individuals that were referred on to subsequent levels of capacity building activities, only 32% were ready and motivated for increased training. The goal was to have 50% of those that participated in community organizational activities and introductory capacity building activities, participate in increased technical training. More research needs to be conducted on outreach activities to the general population and the corresponding interest levels.

d. The most efficient and effective part of this outcome was the strong community support from social service providers within the network. However more can be done to outreach to those that may not be accessing preexisting services yet potentially have a higher level of interest in MED.

2. Participants with business skill-set barriers will have an increased ability to manage a microenterprise.

a. During the intake, individuals participated in four concurrent one-hour intake work-shops and standardized evaluations, 80% of the proposed referrals (128/160) were ready for subsequent development courses. Additionally, 75% of those that participated (96/128) self-reported an

increase in their ability to manage a microenterprise. However only 30% self-reported adequate motivation/confidence to manage a microenterprise. This evaluation combined the measurement of two components: motivation/confidence and knowledge. Motivation was measured on a likert scale where participants expressed their level of motivation/confidence through a series of questions ranging from strongly agree – strongly disagree. Knowledge was measured through a standardized evaluation. To put this outcome in perspective, the following reports were noted:

- i. 80% of the proposed number of applicants participated in in the beginner workshop.
 - ii. 75% of applicants reported an increased level of knowledge consistent with practical application of running a business (knowledge).
 - ii. 28% of applicants reported strong motivation/confidence in managing their own business (opinion).
 - iii. 2% of applicants after re-evaluation reported strong motivation/confidence in managing their own business (opinion).
- b. In retrospect, the initial intake assessment should have measured the participant's motivation/confidence in managing their own business so that individuals that were unready or lacked the necessary level of motivation, could have been filtered. In fairness, the object of this activity was to help increase knowledge and subsequently motivation, however the two are not necessarily interdependent. Additionally, a larger amount of time should have been spent in outreaching more individuals and then in developing appropriate methods for measuring motivation at intake, and then projecting for subsequent levels of successful participation.
- c. The attainment outcome from this goal is mixed however it is promising if the project can adjust the process of intake and provide better targeting practices. The original goal was to have

80% (160 participants) of those that participated in the introductory workshop, participate in the beginning workshops however the achievement was not too far off at 64%. The bigger challenge was in preparing enough individuals to refer on to the advanced workshops and trainings, where only 39% (39/100) were ready for referral.

3. Participants that lack adequate networks and business supportive services will gain access community resources.

Due to the loss of the sole funding source in October '13, referrals to additional capacity levels are on hold however and cannot be measured at this time however it is anticipated that 39 individuals will be referred to the advanced workshops and trainings. Based on the current feedback from the State of Utah, it is anticipated that the funding will be released in January-February '14. The requisition of private funding may be available as early as January '13.

Conclusions & Recommendations

A. Prospects of Intermediate and Long-term Outcomes

Based on the preliminary results from the short-term outcomes, the project is appears to be on track to achieve the intermediate and long-term goals however with diminished outputs, and will require an extended time period.

The first important intermediate outcome is connected to the successful transfer of MED participants from introductory workshops to subsequent, albeit more technical, workshops. Originally it was anticipated that 50% of participants in the introductory workshops would move on to increased technical workshops however only 30% were ready and motivated for additional training. This outcome may have an effect on the percentage of individuals that will ultimately open a microenterprise, which is the second intermediate outcome. Although the variation in

successful participation was lower than originally anticipated, it was not significant enough to undermine the long-term goals. However changes are needed during the intake process to help better target appropriate candidates.

The potential for success of long-term outcomes will now be contingent upon the effectiveness and efficiency of intermediate outcomes. Although the anticipated impact of this project is limited in nature and will not provide any significant difference in the community problem on a large scale, it is anticipated that it may be replicated in other areas with similar populations. Other populations that are similar in characteristics to the targeted population, are resettled refugees; however the implemented methodology and model would need to be individualized and adapted to each community.

B. Personal Thoughts

The concept of this project was an amalgam of poverty statistics and community feedback regarding undocumented and mixed-status Hispanics (a population that mirrors many of the traits found in developing countries) and the possibility of using a MED to address their inordinate levels of unemployment. Typically, MED projects have not had the same level of success in developed countries as they have had in underdeveloped areas but given the background of the target population it gave validity to the project.

Implementing the project required the interest and collaboration of key stakeholders, particularly those agencies that were already working with this population. These agencies were instrumental not only in organizing and outreaching, but also in marketing, financial services, and curriculum development. It would seem improbable that this type of project could be undertaken without the collaborative effort of other agencies particularly for Hispanics who share both common and divergent traits based on their country/community of origin.

However one of the obvious challenges with NPOs in general is funding, and the success or failure of a program frequently hinges on the continual availability of funding. The core funding source for this project is CSBG and it was recently frozen due to an ongoing embroilment between the State of Utah and SLCAP. During forty-seven years of operation and nine separate presidential administrations, SLCAP has never actually lost its core funding source, and during the inception of the project, the issues of funding allocation surrounding the current freeze were not foreseeable. In retrospect, more diverse funding should have been made available to ensure the short/long-term stability of the project but corrective action is in place and hopefully it will not be long before the project can continue.

Once the project concludes, it will be interesting to see what additional research will be needed. Finally there have been external pressures on a national level that have focused on immigration reform but have been sidelined due to federal budget concerns.

Monitoring the project was relatively simply as the community partners were very responsive and timely in providing statistical information and updates. Additionally the organizational flow-chart was adhered to by all members so reporting was timely and accurate.

References

(D. Pacheco, personal interview, February , 5, 2013)

(J.M. Ruiz, personal interview, February, 5, 2013)

American Psychological Association. Education and Socioeconomic Status. Retrieved from:

<http://www.apa.org/pi/ses/resources/publications/factsheet-education.aspx> on 2/5/13.

Association for Enterprise Opportunity. (2003). Introduction to Starting and Sustaining a

Microenterprise Development Program. Association for Enterprise Opportunity,

Arlington, VA. Retrieved on 2/20/2013 from:

https://docs.google.com/viewer?a=v&q=cache:nJbWvHLEh74J:www.resnaprojects.org/AFTAP/telework/forum09/IntroMED.pdf+AEO+defines+microenterprise+with+less+than+five+employees&hl=en&gl=us&pid=bl&srcid=ADGEESganBb55eEm2Znrx_wm7qd3K6WzDmr0zMvU19w81Oes8mcbB9hmJzQe8fVD1Xxsx1Z6ytcqNpCB8qy22t_bfg9U-eKrtlUrbg5TDpW9KqDSq3Ty2uatctWFzssC36XFjcbRbChA&sig=AHIEtbQCrz7Kas-bGw3eyI9q4JOhjAoNbQ.

Austin, A. (2013). Unemployment rates are projected to remain high for Whites, Latinos and

African Americans through 2013. Economic Policy Institute, issue Brief #350, February

25, 2013. Retrieved from: <http://www.epi.org/files/2013/unemployment-rates-white.pdf> on 3/15/13.

Bhimji, F. (2010). Undocumented Immigrant Day Laborers Coping with the Economic

Meltdown in Los Angeles. Cultural Dynamics 2010 22:157. Retrieved on 2/11/13 from:

<http://cdy.sagepub.com/content/22/3/157>

- Cavalluzzo, K., Woken, J. (2005). Small Business Loan Turndowns, Personal Wealth, and Discrimination. *The Journal of Business*, Vol. 78, No. 6 (November 2005), pp. 2153-2178. Retrieved on 2/14/13 from: URL: <http://www.jstor.org/stable/10.1086/497045>.
- Cavalluzzo, K.S., Cavalluzzo, L.C., Wolken, J. D. (2002). Competition, Small Business Financing, and Discrimination: Evidence from a New Survey. *The Journal of Business*, Vol. 75, No. 4, October 2002, pp. 641-679. Retrieved on 2/14/13 from: <http://www.jstor.org/stable/10.1086/341638>.
- Davidson, L. (2010). Latino-owned businesses booming in Utah: 5-year span saw boom in Latino growth. *The Deseret News*, SLC, UT. Retrieved from: <http://www.deseretnews.com/article/700048019/Latino-owned-businesses-booming-in-Utah.html?pg=all> on 2/13/13.
- Davidson, L. (2011). Utah's Latino population skyrockets 78% in 10 years. *The Salt Lake Tribune*, SLC, UT. Retrieved from <http://www.sltrib.com/sltrib/home/51307553-76/percent-utah-latino-population.html.csp> on 2/5/13.
- HUD. (2002). Microenterprise Development – 2002 Regional Technical Assistance Workshop. Retrieved on 2/18/13 from: <http://www.hud.gov/offices/hsg/mfh/nnw/micro.pdf>
- Jameson, K.P. (2009). How many undocumented immigrants live in Utah – A direct measure. University of Utah – Department of Economics, SLC, Utah. Retrieved from: http://www.ipia.utah.edu/workingpapers/2009_12_16.pdf on 3/24/13.
- Mayor's Office of Diversity Affairs. (2013). Community Organizations. Salt Lake County Mayor's Office. Retrieved from: <http://diversity.slco.org/communityOrg/hispanic.html> on 2/3/13.

- Morgan, C.V. (2011) How much crime do undocumented immigrants commit in Utah?
Sutherland Institute, February 2011, SLC, UT.
- Nelson, C. (2000). Microenterprise Fact Sheet. Fact Sheet Series, Fall 2000, FIELD. Retrieved on 2/12/13 from: https://docs.google.com/viewer?a=v&q=cache:gR3pth5e9sIJ:oregon-microbiz.org/wp-content/uploads/2009/06/fact-sheet-series-4.pdf+microenterprise+fact+sheet+series+fostering+training&hl=en&gl=us&pid=bl&srcid=ADGEESiqWaGIB_j1BZMNe90K_zXhBb_Ws_L2goSLOHke3aOi64TxvrIVior7X9bREpF5UCZko3st4yaM0sWqYyi9Da2B9dUFCEfZdVsZyqJqGVvO2RYrruXIVYefU_IF2oTmN8un8jgz&sig=AHIEtbQzviGeBMfxCx_FkpxJdQgSOzZpFw
- Ortiz, J. (2001). Rethinking the Approach to the Microenterprise Sector in Latin America: An integrating Framework. Journal of Microfinance, Vol. 3, No. 2. Retrieved on 2/12/13 from: <https://ojs.lib.byu.edu/spc/index.php/ESR/article/view/1360>
- Pew Hispanic Center. (2010). Demographic profile of Hispanics in Utah, 2010. Retrieved from: <http://www.pewhispanic.org/states/state/ut/> on 3/23/13.
- Robles, B.J., Cordero –Guzman, H. (2007). Latino Self-Employment and Entrepreneurship in the United States: An Overview of the Literature and Data Sources. The ANNALS of the American Academy of Political and Social Science 2007 613: 18. Retrieved on 2/13/13 from: <http://ann.sagepub.com/content/613/1/18>
- Servon, L. J. (2006). Microenterprise Development in the United States: Current Challenges and New Directions. Economic Development Quarterly 2006 20:351. Retrieved on 2/11/13 from: <http://edq.sagepub.com/content/20/4/351>

Servon, L. J., Fairlie, R. W., Rastello, B., Steely, A. (2010). The Five Gaps Facing Small and Microbusiness Owners: Evidence from New York City. *Economic Development*

Quarterly 2010 24:126, February 2010. Retrieved on 2/13/13 from:

<http://edq.sagepub.com/content/24/2/126>

Shreiner, M. (2001). Microenterprise in the First and Third Worlds. Microfinance risk management, 6070 Chippewa St. #1W, St. Louis, Mo 63109-3060, USA. Retrieved on

2/1/13 from:

http://www.microfinance.com/English/Papers/Microenterprise_in_First_and_Third_Worlds.pdf

The European Union. (2003). Commission recommendation concerning the definition of micro, small and medium-sized enterprises. *Official Journal of the European Union*. Retrieved

on 2/18/2013, from: [http://eur-](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:EN:PDF)

The Peace Corps. (2003). A Microenterprise Training Guide for Peace Corps Volunteers. Office of Overseas Programming and Training Support, Information Collection and Exchange, 1111 20th Street NW, Sixth Floor, Washington, D.C. Retrieved on 2/14/13 from:

https://docs.google.com/viewer?a=v&q=cache:LZthb2w01v0J:files.peacecorps.gov/multi-media/pdf/library/M0068_microent_intro-1.pdf+a+microenterprise+training+guide&hl=en&gl=us&pid=bl&sroid=ADGEESi6lK_kceGajzMXI5zOsHdKSaJVuY5hqgBsDUaDRea2Or8_Sphev8NpsikhSbNH5wBrer_Y0yYFcV_GjJ3JAgUWcRbeOODrh3p7_5WsW-xU5i3BfITqisGdQwu3gWcnahWjDWz-&sig=AHIEtbSv0CjFetwIoTKgl2p1llzJT2j00g

U.S. Census Bureau. (2011). U.S. Department of Commerce. Retrieved from <http://www.census.gov/> on 2/4/13.

U.S. Census Bureau. (2013). Utah – State and County Quick Facts. Retrieved on 3/25/13 from: <http://quickfacts.census.gov/qfd/states/49000.html>

Wood, B. (2013). Utah Graduation Rates Improve in 2012; Performance Gap Remains. The Deseret News, SLC, UT. Retrieved on from: <http://www.deseretnews.com/article/865569837/Utah-graduation-rates-improve-in-2012-performance-gap-remains.html?pg=all> on 2/4/13.

Wood, J., Downen, J., Benway, DJ, Darius, L. (2013). Salt Lake City: Fair Housing Equity Assessment. Retrieved on 5/14/2013, from: <http://envisionutah.org/images/wc2040/housingfiles/data/saltlakecity.pdf>

World Commission on Environment and Development (WCED). Our common future. Oxford: Oxford University Press, 1987 P. 43

Zulker, V.S., Katras, M.J., Montalto, C.P., Olson, P. (2003). Hispanic Self-employment: Does Gender Matter? Hispanic Journal of Behavioral Sciences 2003 25:73. Retrieved on 2/12/13 from: <http://hjb.sagepub.com/content/25/1/73>

Background Narrative (Circumstance: includes skills, education, background, motivation for participation, and life circumstance:_____

Business Proficiency Skills (Perception: includes business planning, sales, marketing, budgeting, financial management, human resources, liability, and business code): _____

Resource Narrative (Circumstance: includes housing, communication, transportation, health, subsidies, income, or other resource): _____

II.

Evaluation 1.2

Intake Survey – Participant

1. Are you currently unemployed? Y/N
2. Are you unauthorized to work under a w-4? Y/N
3. On a scale of 1-10, 1 being the least interested and 10 being the most interested, how interested are you creating your own business (select only one)?

1 2 3 4 5 6 7 8 9 10

4. How soon would you like to have your business up, and running (select only one)?

- 3 months 6 months 9 months 1 year 2 years +
5. What do you feel is your greatest challenge in developing and running your own business (select only one)?
- Understanding regulatory laws Experience Financing Planning
6. What sector would you like to start a business (select only one)?
- Cleaning Construction Transportation Trade Childcare Other_____
7. What do you feel is your greatest strength in developing and running your own business (select only one)?
- Technical skills Management Planning Networking Other_____
8. Are there any other supportive services that you are in need of to help you attain your goal of MED (Select all that apply)?
- Housing Childcare Healthcare Legal Services Financing Other_____
9. How many are in your household? _____
10. Are you supporting a family in another country? Y/N

III.

Evaluation Tool 1.3

Pre/Post Knowledge-Assessment

1. In business, what does the term “branding a name” mean? _____
- _____
- _____
2. In SLCO, where would you go to learn about laws and regulations governing your MED business sector? _____
- _____
- _____
- _____

3. What does “networking” mean in business? _____

4. What do the terms “profit, loss, and net income” _____

5. What is an a business plan? _____

6. Where would you go to secure financing or loan services for your business? _____

7. What is a business “mentor/advisor”? _____

8. What is Cash Flow? _____

9. What do the terms Supply and Demand mean? _____

10. What does the term “entrepreneur” mean? _____

IV.

Evaluation Tool 1.4

Participant Post Activity Survey

The following questions are ranked on a scale from 1 to 5, one being “not well” and five being “exceptionally well.”

1. Do you feel that the workshops accommodated your schedule?

1 2 3 4 5

2. Do you feel that the locations of the workshops were easily accessible?

1 2 3 4 5

3. Do feel the objectives of the workshop were met?

1 2 3 4 5

4. How do you feel the instructor presented the course information?

1 2 3 4 5

5. How Prepared do you feel to participate in ongoing trainings?

The next set of questions is based on a scale of 1 to 5, one being least interested and five being most interested.

1. How interested are you in participating in ongoing trainings?

1 2 3 4 5

2. How interested are you in developing and opening a business in the next 6 months?

1 2 3 4 5

3. How interested are you in learning more about mentoring and financing options?

1 2 3 4 5

Monitoring Tools

B.

I.

Monitoring Tool 1.1

Monitoring Report Matrix

Monitoring Report Matrix						
Activities	Dates	Status	Timeliness	Reason for Delay	Delay Intervention	Output Achievement
Review Stakeholders input resources (fiscal and Physical)	Start: Aug' '12 End: Nov '12					Output 1: 0/5 organizations assisted in organizing the community and targeted population.
Concretize stakeholders roles and responsibilities	Start Nov', '13 End Nov', '12					
Develop/review MED curriculum	Start: Oct', '13 End: Dec', '12					
Review/develop needs assessment/survey	Start: Nov ', 12 End: Dec '12					
Evaluate/shore up Filtering mechanisms	Start: Aug' 12 and End: Nov'1 '12					
Conduct Survey/needs assessment	Start/End: Feb', '13					Output: 0 of 400 individuals were invited to participate in group forums and surveys.
Hold focus groups	Start/End Feb', '13					
Provide MED beginners workshop & provide referrals to other stake holders for increased assistance.	July' 3, '13 and Nov' 24 '13 (twice a month until Aug '13					Output 3: 0 of 200 individuals participated in beginner workshop Output 4: 0 of 160 participants will increase their knowledge of MED.
Provide workshops and individualized assistance for participants ready to start business, and refer to appropriate	Start: Dec '13 to End: Mar '14					Output 5: 0 of 100 participants were referred to increased specialized training and mentoring.

agency partner						Output 6: 0 of 40 entrepreneurs received specialized business management training Output 7: 0 of 25 microentrepreneurs opened a business
Provide ongoing supportive services microentrepreneurs	Start Jan '15 to End: Dec '15					Output 8: 0 of 25 returned for ongoing assistance

II.

Monitoring Tool 1.2

Program Monitoring

Security

1. Are client files stored in a 3 lock system? Y/N
2. Is electronic correspondence submitted via the secure network? Y/N
3. Do computer monitors lock within 10 minutes of inactivity? Y/N
4. Are buildings locked and secured following workshops/trainings?

Client File

1. Are there any deficiencies noted within client files? Y/N
If so what: _____

2. Has client info been data entered into the CSBG data base? Y/N
3. Is there a release of information in each file? Y/N
4. Is there a communication log with notes between instructor and participant?

Outputs/Outcomes

1. Have outputs been met for community organizing activities? Y/N? If not why:_____
2. Have outputs been met for awareness-raising activities? Y/N If Not why:____
3. Have outputs been met for capacity building activities? Y/N If not why:____
4. Have short-term outcomes been met? Y/N? If not why:_____
5. Have intermediate outcomes been met? Y/N If Not why:_____
6. Have long-term outcomes been met? Y/N If not why:_____