

National Conference of State Legislators Women's Legislative Luncheon

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Mission, Services, & Philosophy

■ Mission

- To promote social and economic self-sufficiency for economically disadvantaged women and their families.

■ Services

- Microenterprise Training
 - Microenterprise is a business with:
 - 1-5 employees
 - Capital needs under \$35,000
- Access to Capital
- Incentive Savings Program

■ Philosophy

- Asset Building Strategy

WORC Accomplishments

■ Impact

- Trained 3,000 individuals
- More than 800 businesses currently generate \$20 Million in annual revenues
- Over 300 loans totaling over \$1 million
- 840 graduates; economic impact of \$29 million.

■ Awards/ Recognition

- “Presidential Award for Excellence in Microenterprise Development” U.S. Department of Treasury (2001).
- Technology Innovation Award for *Building Blocks to Financial Success* (2005).

Why Microenterprise?

■ History

- WORC's Microenterprise Program Started in 1985
- Today over 500 Microenterprise Programs nationwide

■ Importance

■ Viable Career Path

■ Small Business

- Small businesses created 60-80% of the net new jobs since the mid-1990's.
- 87% of all businesses in US today are microenterprises

■ Buy Local

Family Care Giver's Network- Geraldine F.

- 2001 Lost job as Director of Private Duty Nursing.
- Established nursing and staffing agency.
- \$2,500 start-up loan.
- 45 employees.
- Annual gross sales \$350,000.



Classic Design Jewelers

- Diane C.

- Virtual jewelry store - 1998
- Two employees
- \$150,000 annual gross sales



WORC's Microenterprise Training Program

■ Training

- 36 hours, 6 weeks, 2 times per week
- Management, Marketing and Financial
- Trainers with business experience

■ Individual Business Assistance

■ Market Access/ Commercial Linkages

- WORCweb.com: Online business directory.
- Access to contract opportunities.
- Participation at expos.

WORC's Training Impact

- 70% complete training
- 40% start or expand their business within six months
- 30% employed or pursue further training
- 50% stay in business over time

Key's to Success

- Practical / Action Oriented
- Peer Support
- One on One Counseling
- Access to Capital
- On Going Support
- Trainers - Business People

Self-Employment Assistance (SEA) Program

- 1993 North American Free Trade Agreement (NAFTA) HR Bill 3450, Title V, Sec. 507
- Allows unemployed individuals to receive UC benefits while starting a business.
- 1997 PA HR Bill No: 1475 established PA SEA Program
- **PA SEA Results – 1997 to 2008**
 - Over 1,700 businesses statewide
 - \$45 million in annual revenues
 - \$8.8 million employee annual earnings

WORC Self Employment Assistance Program Results

■ Overall Results

- 800 businesses
 - \$20 Million annual gross revenue
 - 250 additional jobs created
 - \$4.6 Million annualized payroll

■ Aspen Institute Follow-Up Study FY 2006 WORC Participants

- 73% operating a business one year after receiving services
- 90% still in business at 18 months
- \$4 million gross annual revenues with estimated \$240,000 sales tax revenue in 2007
- 1 in 5 businesses created new jobs
- Cost per business created \$4,315
- Cost per job \$2,890

Economic Opportunities Fund Loan Products and Impact

■ Impact

- Over \$1 Million to 313 Microloans totaling

■ Products

- Credit Builder Loan- \$500 to \$1000
- Line of Credit - up to \$2,500
- Small Business Loan - up to \$10,000
- Near Equity Product - up to \$35,000

■ Use of Funds:

- Start Up Costs
- Working capital
- Equipment
- Inventory



Pennsylvania Family Savings Account Program

- WORC developed program in partnership with PA Governor's Office in 1997.
- One of largest statewide IDA Programs in nation.
- One-to-one match up to \$2,000.
- Savings can be used for:
 - Business start-up or expansion
 - Home purchase/home improvement
 - Education for themselves or child
 - Other (car, debt/credit repair)
- Basic Financial Education Classes.

WORC's Family Savings Account Program – 12/31/08

■ 841 graduates

- Home purchases: 236
- Home Improvement: 150
- Education: 108
- Business: 59
- Retirement: 51
- Car: 226



■ Economic Impact \$29 million (28 to 1 leverage)

- \$1.6 million saved
- \$1.4 million Matched

■ Leveraged with

- \$ 3 million in personal savings and other resources
- \$ 23.3 million in mortgages and loans

National Research

- Current research on the outcomes and impact of asset-building IDA programs show IDA savers are:
 - 84% more likely to own a business.
 - Twice as likely to attend college.
 - 35% more likely to own home.
 - More than half who previously received public assistance no longer receive assistance
 - Low incidence of foreclosure.