

Impact of Vermont's Micro Business Development Program: Socio-Economic Indicators of Clients' Success through Self-Employment

February 13, 2009

Business Revenue and Income:

Self-reported **monthly business revenues** (gross) ranged from \$0 to \$75,000 with a monthly average of \$4,000 (\$1,000 median).

48% of clients said their **business revenue has increased** since working with MBDP. In addition, 52% indicated that their **cash flow availability** to manage their business had improved. Anecdotally, 81% of business owners reported a positive net worth for their business.

Personal and Household Income and Public Assistance Receipt:

Almost three quarters (73%) of respondents said that **self-employment provides income** to their household. Average **monthly owner's draw** was \$1,035 (\$850 median) and ranged from \$40 to \$4,000.

Clients earn an average of 34% of their current income (20% median) from self-employment, while 32% receive the majority of their income from self-employment. 40% of clients **described change in their average monthly household income** as having increased since they started their business.

Other sources of income for self-employed clients include:

- 31% - another **paid or wage earning** position
- 21% - disability income from **SSDI or SSI**
- 1 receives income from **federal welfare** dollars or Temporary Assistance for Needy Families.

64% of all clients indicated that at one time they have relied on some form of public assistance. Self-employed clients are significantly more likely to have **decreased their reliance** to little or no assistance (52%) compared to clients who did not start a business (30%) ($p=.02$).

81% of clients have **access to medical and health benefits**; all but one client receive this insurance from their spouse's employment and/or state health insurance while one person receives these benefits from their business at a cost of \$330 per month.

Satisfaction with MBDP Services:

- 82% of clients said they are better off today because of having worked with MBDP.
- Clients expressed high satisfaction with services and individual work with business counselors.
- The majority also agreed or strongly agreed that working with business counselors aided in (72%) and provided the necessary on-going support (62%) for their business development.

Respondent Demographics:

- **40% were at or below 100% of the federal poverty level at intake**
- 57% are women
- Average age is 46, range of 18-81 years
- 1 to 7 household members, average of 2
- 40% have 1 to 5 children (average 1.8) under 18 years of age living at home
- 21% have a high school education or less; 27% have completed some college education
- 35% received food stamps and 7% received TANF at intake