

# MICROBUSINESSES, GAINFUL JOBS

August 2015

## Findings Brief on Creating Opportunity

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

The concept of "gainful employment" includes a work environment that respects and appreciates diversity. The microenterprises in this study provide opportunities for individuals who may otherwise face difficulties accessing good jobs. Research from the Small Business Administration supports this finding, noting that "small firms also tend to fill niches in the labor market that are underserved," such as Hispanics, individuals with low educational attainment, and young, old, and rural workers.<sup>1</sup>

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

### Seniors

**CARMEN** | CHILD CARE WORKER | **A B C**

Sixty-five year old Carmen says that at her age, she needs to keep busy and keep learning things or she will start to fade. Her work as an assistant and the cook in a home day care is one of many careers she has held. She emigrated from the Dominican Republic more than 30 years ago,

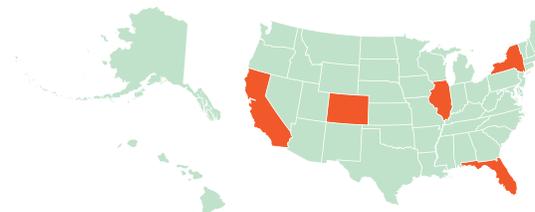
<sup>1</sup> Brian Headd, "An Analysis of Small Business and Jobs," *Small Business Association Office of Advocacy*, March 2010, 6, accessed June 29, 2015, <https://www.sba.gov/sites/default/files/files/an%20analysis%20of%20small%20business%20and%20jobs.pdf>

### ABOUT THIS BRIEF

FIELD's Gainful Jobs qualitative research illuminates the **quality of jobs provided by microenterprises.**

**This brief**, an excerpt from the full report, **highlights findings regarding the role that microbusiness jobs played in providing opportunities for the individuals who face the greatest challenges in connecting to and succeeding in our economy.** These include seniors, immigrants and dreamers, individuals with disabilities, and workers with low levels of education.

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



The findings from the first phase of interviews in New York City and Miami were largely confirmed and, in some cases, amplified by interviews in Chicago, San Diego, and Denver. The full research report, along with other information regarding the research, can be accessed at [www.gainfuljobs.org](http://www.gainfuljobs.org).

and went from being a garment factory worker to owning several small businesses, including a women's clothing manufacturing company in Manhattan's garment district and a restaurant in Santo Domingo. After a divorce, she spent time living with her daughter in Florida, where she always held at least two jobs, such as working full time at a deli and cleaning houses on the side.

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

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

- Carmen

### **CHARLOTTE** | OFFICE WORKER |

Charlotte also had a difficult time finding work at her experience level, after losing her job as an assistant vice president at the bank where she had worked for 32 years. While she makes dramatically less money working at a multiservice company (processing taxes, Western Union, applications for insurance and other miscellaneous services), her job helps to supplement her

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

- Charlotte

retirement income and keeps her busy. She is also using a completely new set of skills in providing these services. She notes the best thing about the job is meeting new people and interacting with customers, something she was never able to do at her former back-office job at the bank.

## **Immigrants and DREAMers**

---

### **ALEJANDRO** | PROJECT MANAGER |

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

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

- Alejandro

An estimated 1.7 million young immigrants fall into the category commonly referred to as “DREAMers,” which refers to undocumented immigrants who arrived in the United States as children.<sup>2</sup> Although they grew up and attended school here, many experience severe economic hardship as adults. Lacking formal status, they find it difficult to pay for college, particularly where in-state tuition is not allowed for non-legal residents. Securing stable and legal work is also a challenge—with or without a college degree.

---

<sup>2</sup> Jeffrey S. Passel and Mark Hugo Lopez, “Up to 1.7 Million Unauthorized Immigrant Youth May Benefit From New Deportation Rules,” Pew Hispanic Center, August 14, 2012.

## SAMIR | ACCOUNTANT |

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

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

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

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

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

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

- Samir

## Workers with disabilities

---

### AMARA | REPRESENTATIVE |

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

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

without a disability. Individuals with disabilities are also more likely to work part time: 34 percent of workers with disabilities work part time compared with 19 percent of those without a disability.<sup>3</sup>

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

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

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

- Amara

## The formerly incarcerated

The statistics are stark. By some estimates, the scarcity of job options for our nation's large population of ex-offenders lowers the national employment rate by almost one percentage point. Among male ex-offenders, who comprise an estimated 90 percent of ex-prisoners, lack of access to the job market lowers the national employment rate by nearly 2 percentage points.<sup>4</sup> Formerly incarcerated individuals who seek to reenter the workforce must overcome many challenges. These include limited skill development and gaps in job histories, negative stereotyping by employers, and a need to build credibility after struggles with substance abuse.

### **RUPERT** | SALES AND MARKETING |

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

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

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

<sup>3</sup> “Persons with a Disability: Labor Force Characteristics Summary,” Bureau of Labor Statistics, June 11, 2014, accessed June 29, 2015, <http://www.bls.gov/news.release/disabl.nr0.htm>

<sup>4</sup> John Schmitt and Kris Warner, “Ex-offenders and the Labor Market,” Center for Economic and Policy Research, November 2010: 2.

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

- Rupert

## Low education level

---

Jobseekers who did not graduate from high school are at a keen disadvantage in the U.S. labor market, where college degrees are often a minimum requirement.<sup>5</sup> BLS data on unemployment rates and wage levels by educational attainment show that workers over 25 years of age without a high school degree have an unemployment rate of nine percent compared with five percent for all workers. Their median weekly earnings (\$433) were only 58 percent of those of all workers (\$839) and one-third lower than for those with some college but no degree (\$741).<sup>6</sup> Seven interviewees had not completed high school; all earned more than their state minimum wage and had median hourly wages of \$12.

### GABRIEL | LANDSCAPER |

Temporary employment agencies abound in Chicago’s Little Village, one of the city’s largest Mexican neighborhoods. These companies provide many low-skilled immigrants with temporary jobs throughout the region, largely in manufacturing. However, an investigation by Propublica found that the fees charged for transportation to work sites, along with the unpaid waiting time while companies assessed their short-term labor needs, effectively dropped wages for some of these workers below the minimum wage.<sup>7</sup>

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

Increasingly unable to make ends meet and support his family, and realizing these jobs would never lead to full-time employment, he decided not to return to the temporary agencies. Family networks connected him to a small landscaping company owned by a Mexican entrepreneur who had been in Chicago for two decades. Gabriel enjoys the variety of the day-to-day work and has learned new skills. The most dramatic change is that now he works with and learns from one boss; at the short-term jobs he held before, he worked for ever-changing supervisors of unpredictable quality. He thinks he will stay in landscaping but hopes to own his own business someday. Most important for now, he has steady hours and a decent income to support his wife and three children.

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

- Gabriel

---

<sup>5</sup> “Moving the Goalposts: How Demand for a Bachelor’s Degree is Reshaping the Workforce,” Burning Glass, September 2014, accessed June 29, 2015, <http://burning-glass.com/research/credentials-gap/>

<sup>6</sup> “Earnings and Unemployment Rates by Educational Attainment (2014),” Bureau of Labor Statistics, April 2, 2015, accessed June 29, 2015, [http://www.bls.gov/emp/ep\\_chart\\_001.htm](http://www.bls.gov/emp/ep_chart_001.htm)

<sup>7</sup> Michael Grabell, “Taken for a Ride: Temp Agencies and ‘Raiteros’ in Immigrant Chicago,” Propublica.org, April 29, 2013, accessed June 29, 2015, <http://www.propublica.org/article/taken-for-a-ride-temp-agencies-and-raiteros-in-immigrant-chicago>

## **BELINDA** | CASHIER |

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

What eventually pushed Belinda toward finding another job was that the owner kept the staff too lean, forcing her to work long, stressful days to cover the gaps. When she became pregnant with her first child, Belinda had had enough. Her brother-in-law had just invested in a small Mexican restaurant in Chicago and urged her to join him. She now works the register and takes care of minor administrative duties for the newly renovated restaurant. The job is much more manageable, there is a convivial spirit among the seven employees and everyone helps manage the flow of patrons. Although her financial goal is far off, she sees this experience as a potential avenue toward buying into her brother-in-law's restaurant or

starting her own. Given her extensive industry experience, the owners are open to her gradually taking on more responsibility. In the meantime, they will save her position for after she delivers her baby and takes some time off.

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

- Belinda

### **CREDITS**

Authors: Luz I. Gomez and Tamra Thetford  
with Joyce Klein

The full research report, along with other information regarding the research, can be accessed at [www.gainfuljobs.org](http://www.gainfuljobs.org).

This research was funded by the Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the authors alone, and do not necessarily reflect the opinions of the Foundation.

### **FIELD**

Microenterprise Fund for Innovation, Effectiveness,  
Learning and Dissemination

The Aspen Institute  
One Dupont Circle  
Suite 700  
Washington, DC 20036  
[www.fieldus.org](http://www.fieldus.org)



**FIELD**  
at the Aspen Institute

  
THE ASPEN INSTITUTE