

MICROENTERPRISE JOBS BY THE NUMBERS

This fact sheet was prepared with data from MicroTracker, a project of FIELD at the Aspen Institute. It also highlights findings from a set of in-depth interviews with workers from Accion clients. The microbusinesses were located in five cities: New York, Miami, Chicago, Denver, and San Diego.

Our national survey of business owners served by microenterprise programs gives us a broad numeric picture of microenterprise jobs. In-depth interviews with 104 microenterprise workers help us get a more detailed picture of what those jobs are like. Is a median wage of \$12.50 an hour enough? Does having a stable or flexible schedule provide sufficient balance to the lack of benefits? What do workers think about their opportunities for growth, their working environment, and other elements that make a job good? Are investments into microenterprise programs to support these jobs a good investment of philanthropic and public money? Take a look at the numbers ...

A BROADER LOOK

Interviews conducted in 2012 with 1,757 business owners served by microenterprise programs show:

51% of microenterprises had paid workers, a mean of 1.8 paid workers per business.

\$12 median and **\$18.50** mean hourly wage for paid workers.

54% made wages above the low-wage threshold.

53% of paid workers worked part time, or fewer than 35 hours a week.

Hourly Wages



54% Above low-wage threshold (\$11.73)
43% Minimum wage to low-wage threshold
03% Below minimum wage (\$7.25)

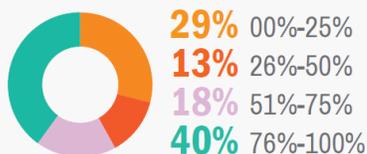
WHAT WORKERS SAID

Highlights from 104 in-depth interviews:

THESE JOBS ARE IMPORTANT TO ECONOMIC SECURITY.

58% of workers noted that their salaries contributed more than 50% of total household income.

Contribution of Job to Household Income



63% made wages at or above President Obama's proposed increase to the minimum wage.

63% > \$10.10/hour

48% of the workers reported hourly wages that exceeded the \$11.73 low-wage threshold.

Hourly Wages



*base wage for restaurant worker.

Annual Job Compensation



"LOW-WAGE" THRESHOLD HOURLY WAGE*



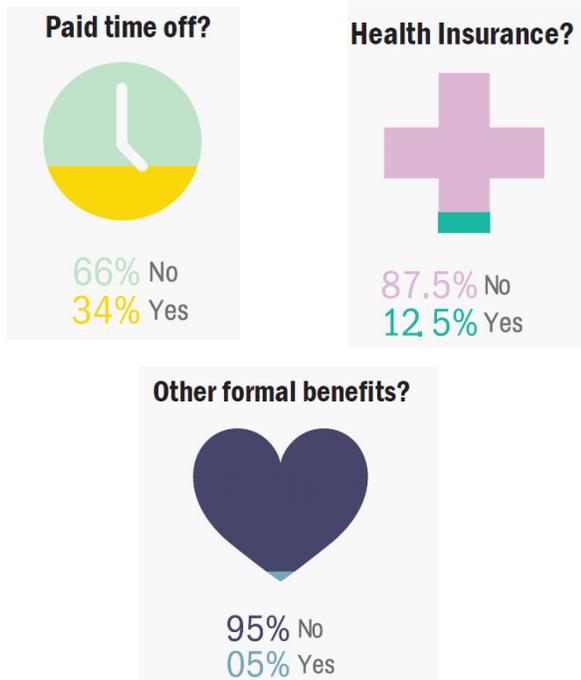
48% Above threshold
52% Below threshold

44% of workers said that they were completely satisfied with their wages.

*Hourly wages were converted to 2010 dollars before being compared to the 2010 low-wage threshold of \$11.73.

WHAT WORKERS SAID *(continued)*

Like many low-wage workers, relatively few of those interviewed received benefits such as paid time off and health insurance. However, they all noted they can take days off for personal reasons or due to illness without fear of losing their jobs. Some even noted an informal benefit policy that allowed them to receive pay for time they took off for sickness.



MANY WORKERS EXPLICITLY STATED A WILLINGNESS TO ACCEPT THE LEVEL OF WAGES AND BENEFITS IN RETURN FOR OTHER JOB ATTRIBUTES THEY FOUND IMPORTANT.

80% of workers say they have stable schedules and **87%** say their schedules are flexible

1/3 of workers cite their work environment and co-workers as the best part of their job

67% see opportunities for growth at the microenterprise

67% of workers 18-45 years old said they were interested in starting their own business

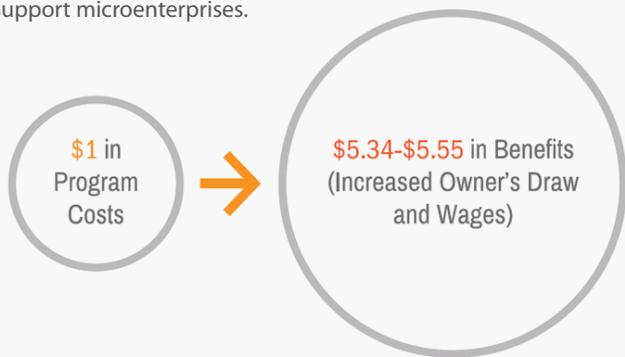
29% work more than one job

94% understood how their job directly contributed to the success of the business

COSTS AND BENEFITS

THE COST BENEFIT ANALYSIS FOR MICROENTERPRISE DEVELOPMENT IS POSITIVE – \$5 IN BENEFITS FOR EVERY \$1 IN PROGRAM COSTS.

We calculate a cost benefit analysis for microenterprise programs based on: the change in business owner draw (personal or household compensation from the business) and wages paid to workers, compared to data on the expenses to programs that support microenterprises.



Our analysis of 689 businesses revealed these returns:

1.8 mean jobs per business, excluding the owner

107% increase in net new jobs from intake to survey

\$2,081 to \$2,163 the cost of supporting a job for owners and workers