

**House Committee on Banking and Financial Services**

**Representative Dan Scripps, Chair**

**Thursday, April 29, 2010**

Written Testimony provided by:

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Grand Rapids Opportunities for Women (GROW)

Many thanks to Committee Chair Scripps for this opportunity to provide support for Bills 6051 and 6052- the Microenterprise Development bill package. Microenterprises are the very small businesses that people create as self-employment work for themselves and their families. Microentrepreneurs are our neighbors, family and friends. They are the landscapers, the computer technicians, barbers, artists, childcare providers and all kinds of home-based businesses. Usually, a microenterprise has five employees or less and can be started for under \$35,000.

Microenterprises are a big part of Michigan's economy. These businesses comprise 87% of all the businesses in Michigan. Microenterprise development is a proven strategy for jumpstarting and fostering entrepreneurship with small business management training and consulting, microloans, and links to small business expansion opportunities such as procurement assistance.

Microenterprises also create, on average, two jobs per microenterprise.<sup>1</sup> This may not seem like a lot but in the aggregate this is significant. Microenterprises currently account for 17 percent of all employment in Michigan.

So how do we keep microenterprise strong in Michigan? We develop them with Microenterprise Development programs that provide entrepreneur training, technical assistance, microloans, and marketing assistance. These homegrown businesses are a steady source of jobs, diverse goods and services, tax revenue, innovation, and new dollars that circulate in the local economy. Microenterprise development jumpstarts this upward spiral of prosperity and is a vital part of any economic development and job creation strategy.

Grand Rapids Opportunities is the microenterprise agencies in West Michigan.

Grand Rapids Opportunities for Women (GROW) respectfully asks for you support of House Bills 6051 and 6052. These bills would allow GROW to serve additional clients to start businesses in Grand Rapids and Kent County.

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<sup>1</sup> "An Overview of the Microenterprise Development Field in the U.S.," John Else, The Role of Microenterprise Development in the United States (2001), p.34.

## **Grand Rapids Opportunities for Women:**

“Economist’s know that entrepreneurship will drive the economy back to health, according to a new study by the Ewing Marion Kauffman Foundation.” Therefore it is imperative to our communities that we assist in launching new small businesses but also that we keep the businesses that have opened – in business. With so many of West Michigan’s adults finding themselves jobless, directionless, and at the crossroads of their career, they’re turning to entrepreneurship and leveraging their lifetime of business experience to achieve success.

This year, Grand Rapids Opportunities for Women (GROW) is celebrating 20 years of entrepreneurship, opportunity, and success! GROW is a non-profit, West Michigan economic development agency. We focus on the entrepreneurs of West Michigan needs; relevant resources, tools, education, and capital to start and grow their businesses.

We are one of three Women Business Centers in the state of Michigan and one of 110 across the nation, that provide technical assistance programs and training for microentrepreneurs. We have developed our own training curriculum, workbooks and training strategy. We partner with over 80 volunteers and mentors, professional business experts who assist in the facilitation of our programming.

GROW is governed by a 15 member board of directors. They represent small business owners, bankers, attorneys, corporate supporters, and other community stakeholders. Even as Michigan struggles with the highest unemployment numbers and foreclose stats in the nation – GROW has maintained a strong funding base. We continue to meet our grant obligations and benefit from renewed grants and funding from area foundations, corporations, banks, individuals, and government sources. Grand Rapids Opportunities for Women has strong financial controls, financial policies and procedures as well as working standard operating procedures.

We are in position to move forward into the area of microlending. It is imperative due to the fact that there is no current program in West Michigan.

### 2008 STATISTICS:

97%	Women	1,695	Clients received entrepreneurial training
45%	Minorities	822	Hours of FREE business counseling
29%	Single-mother households		
70%	Business start-ups		
77	Businesses reported 7.1M in sales		
28	New businesses were opened		
61	New jobs were created by GROW client businesses		

### **GROW Programming...**

The *Pre-Launch Track* will continue to feature our basic business plan training, which helps people figure out if their ideas are feasible. As an inclusive service provider, GROW has expanded horizontally to attract all promising entrepreneurs regardless of race or ethnicity, income or gender, age or education. We cannot afford to leave anyone out or behind. With our economic challenges, West Michigan must capitalize on the know-how, perspectives, and ingenuity that a diverse population brings to the table. The Pre-Launch curriculum offers:

Intro to GROW—a free orientation class.

Financial Literacy—this 7-week course is designed to help individuals become financially savvy

Start Smart I and II—a two-part course that focuses on business readiness

Marketing Plan Boot Camp—a 4 week series designed to assist in the building of a small

business marketing plan

Individual and Group Business Counseling—GROW offers *free* business counseling

Individual Development Savings Program (IDA)— a matched savings program that helps clients purchase business assets

The *Incubation Track* will build on GROW's core business plan training with reinforced training and networking opportunities to help business start-ups become viable during their first few years of existence. We must help increase the survival rate of emerging entrepreneurs once they've opened their doors. Almost no one offers incubation support for small businesses in West Michigan, and we think that GROW needs to be there. The Incubation training is as follows:

Minding Your Own Business—is an intensive 10-week training course designed to help participants write business plans

Business Finances—a six week interactive financial course

Business Wellness Check-ups—area professionals will team up with GROW experts and meet at the business location to discuss business concerns and areas of need. The team will meet on a regular basis to work on strategic plans and issues

UpClose Series—these workshops zero in on specific topics of interest to business owners

Individual One-On-One Counseling—GROW offers *free* one-on-one business counseling

Lunch with PUNCH!—is a *free* networking and support group

Individual Development Savings Account Program (IDA)

The *Acceleration Track* will offer continuing business education and connections so that the established business owners can focus on profitability, new markets, and operational expansion. This program consist of:

Business Plan Tune-Up—a four week GROW interactive business plan course to assist those already in business.

Executive Series – monthly topic specific workshops designed to assist existing business owners in areas of capacity building and sustainability (topics include: Women's Business Certification, procurement of state/federal contracts, turnaround strategies, exit plans and access to capital).

Ask the Experts — Quarterly breakfast meeting with panel of experts on business issues by sector (i.e. franchises, retail, restaurants, agriculture, service business, etc.).

Biz Connect – The Women's Business Center (GROW/AWE) offers opportunities for entrepreneurs to strengthen and grow their businesses through monthly networking events.

Online Training and Webinars – in partnership with *CEED*.

Individual One-On-One Counseling—GROW offers *free* one-on-one business counseling

