



ENGAGE & EMPOWER

An Advocacy Toolkit for Microbusiness Development

April 2012

WHO IS AEO

The [Association for Enterprise Opportunity](#) is the national member organization and voice of microbusiness in the United States. For two decades, AEO and its more than 400 member organizations have helped more than two million entrepreneurs contribute to economic growth as they support themselves, their families, and their communities. Our membership includes microlenders, small business development organizations, non-profit lending organizations, State Microenterprise Associations, and educational institutions dedicated to microbusiness development in the United States.

At AEO, we view creating economic opportunities for underserved entrepreneurs as our top priority and our core organizing principle. That is why our advocacy focuses on the development of effective microbusiness initiatives at the state and local levels and programs at the federal level to assist underserved entrepreneurs in starting, stabilizing, and expanding their businesses.

Our advocacy efforts seek to create jobs through entrepreneurship and support the more than 25 million microbusinesses – 88% of all businesses – in the United States. Together, AEO and its members work closely with policymakers at the national level on Capitol Hill and in the Administration to ensure the availability of capital and technical assistance to entrepreneurs around the country.

Important to our advocacy efforts is collaboration with State Microenterprise Associations, national policy coalition partners, local agencies, and other industry stakeholders. Together, we support policies that empower microbusinesses.



WHY ADVOCACY IS IMPORTANT

The government makes decisions everyday which effect entrepreneurs. The goal of advocacy efforts is to shape the government's decision-making in such a way that the outcomes are beneficial to the microbusiness industry. Effective advocacy empowers individuals to work collectively to affect positive change. It is about raising awareness of an issue and building understanding around it. Public policy is about educating national, state, and local officials to affect better outcomes through effective advocacy. For microbusinesses, access to services, credit, products, and opportunities are keys to their success. To achieve these goals, and unleash the [Power of One in Three](#), requires effective advocates at all levels of government.

As the national trade association for U.S. microbusiness, AEO has a unique role to play as a catalyst: we can connect people, ideas, and resources to raise awareness, drive public policy and create new policy solutions to support microbusiness development across the country.

"If just one in three microenterprises hired a single employee, the US would be at full employment."

"If demand for microenterprise-intensive services and products was met locally in communities around the United States, we could create 10-16 million new jobs."

"A \$5K increase in revenues per microbusiness per year would generate more than \$20B. That's less than \$500 in additional sales per month per business"

RULES FOR EFFECTIVE ADVOCACY

Think Strategically

As a leader of a microenterprise development organization (MDO) or a state microenterprise association (SMA), you no doubt have experience with federal programs, such as the Small Business Administration's (SBA) Microloan Program, the PRIME Program, or the US Department of Agriculture's Rural Microentrepreneur Assistance Program (RMAP). Your knowledge of the microbusiness industry and your familiarity with federally funded programs gives you a unique perspective. Your participation in the policy process is critical to the sustainability of microbusiness development. It is up to us to make sure they hear from individuals and MDOs to better understand how public policies affect our industry.

The first step to effective advocacy is to identify who you need to talk to. No matter where you are located, you will always have one Representative (a Member of the House of Representatives) and two Senators. As a constituent, it is important that you know who your elected officials are and get to know them.

- How Do I Find Out Who My Elected Officials Are?
 - Call the Capitol Switchboard at (202) 224-3121
 - Search by zip code at www.house.gov and www.senate.gov
 - Use [THOMAS](#), the legislative portal of the Library of Congress

Take the time to learn about your Congressional Representatives. Before you schedule your first meeting, be sure to look at their websites. You can find a list of legislation they have sponsored or supported in the past, their voting record, previous statements and speeches, as well as a sense for their interests and priorities. You should also identify on which Committees your legislators sit. Every Representative and Senator sits on one or more Committees. These Committees have jurisdiction over specific federal agencies, such as the Department of Commerce or the Small Business Administration.

As Members of these Committees, Representatives and Senators become subject matter experts in their respective fields. Learning about their Committee assignments will give you a sense of their priorities and help you develop your strategy. As an advocate for microbusiness, your goal should be to identify and engage Members who understand microbusiness and the microbusiness development industry and the Committees that have jurisdiction over these issues.

Committees important to AEO and its members, include the following:

- The [House](#) and [Senate](#) Appropriations Committees
 - These Committees oversee the annual appropriations process and recommend the funding for programs, such as Microloan, PRIME and RBEG.
- The [House](#) and [Senate](#) Small Business Committees
 - The Committees oversee the Small Business Administration and its lending and technical assistance programs, such as Microloan and PRIME.
- The [House Financial Services Committee](#) and the [Senate Banking, Housing, and Urban Affairs Committee](#)
 - These Committees oversee the Department of Treasury's Community Development Financial Institutions (CDFI) Fund
- The [House Education & Workforce Committee](#) and the [Senate Health, Education, Labor, and Pensions Committee](#)
 - These Committees oversee the Department of Labor, including the programs authorized by the Workforce Investment Act, Self-Employment Assistance programs (SEA), and the Workforce Innovation Fund.
- The [House](#) and [Senate](#) Agriculture Committees
 - These Committees oversee the Department of Agriculture and its programs, including RMAP, the Rural Business Enterprise Grant (RBEG) Program, and the Rural Business Opportunity Grant (RBOG) Program.

Even if your Representative or your two Senators are not a Member of one of the Committees listed above, or they do not sit on the Committee you need assistance with, you can use your relationship with them to facilitate an introduction to someone who needs to hear your message.

In addition to the Congress, every state has its own state government structure with Committees just like those in Congress. You should identify and reach out to your local and state government officials and get to know them as well.

- How Do I Find My State's Government Website?
 - www.USA.gov and www.usa.gov/Agencies/State-and-Territories.shtml.

Build Relationships

Whether it is educating your Congressional Member about issues of concern to you or attending a town hall meeting, now is the time to develop meaningful relationships with your legislators – not just when a problem arises or when you need help with a particular issue. Your elected officials will be in a better position to assist you, to make informed decisions, and support legislation if they understand how federal policies affect microbusinesses. It is incumbent upon all of us to reach out to them, educate them, and build relationships now.

District Offices

You should start at the District level. Every Representative and Senator has offices in their District or State. Oftentimes, the best place to begin building meaningful relationships is with the District office staff. Staff members at the District offices provide direct feedback from constituents to the elected official and assist him/her in solving problems for constituents. They play an integral role in the workings of Congressional offices. Therefore, establishing strong relationships with staff members at the District level is just as important as forging a relationship with your elected official. Check your [Representative](#) and [Senators](#) website for a list of their District offices and how to contact them.

When you are ready to meet with your legislator, a good time to do this is during District work periods. Typically, Congress goes on recess about one week out of every month and during the month of August and return to their Districts to interact with their constituents and hold town hall listening sessions. This is a good time to schedule a meeting, engage them at a town hall meeting, or invite them to visit your organization and learn more about the work you do. For the Congressional Calendar and to check when District work periods are scheduled, check out [Thomas](#).

Washington, DC Offices

After you have established relationships at the state and local District offices, participating in Capitol Hill Visits during the annual [AEO Annual Microbusiness Conference](#) in Washington, DC is the culmination of these relationships. Just like in District offices, Congressional staffs play a large role. Members of Congress rely heavily on their staffs to brief them, keep them up to date on specific policy issues, write legislation, and make recommendations. Wherever you look on Capitol Hill, you can see staff whispering in legislators' ears.

Regardless of whether you are in Washington, DC for meetings or reaching out to the District office, the first step to effective advocacy is to be well informed and to do your research before you reach out to elected officials. Consider researching and answering the following questions:

- What are the elected officials' positions on issues that matter to microbusiness development?
- Have they supported legislation supporting microbusiness in the past?
- What District does the elected official represent? If it is your own Member of Congress, you are familiar with microbusiness development in their District. If not, check out AEO's website to find a [list of MDOs in their District or state](#).

Take a few minutes to review previous statements, speeches, and bill co-sponsorships, all of which are available on their websites. Now that you have done your research, you are ready to contact your elected official or set up a meeting.

Communicate Effectively

Whether at the District level or on Capitol Hill, maintaining regular and effective communication with legislators is key. Doing so will allow you to become a resource for your legislator—an important part of being effective.

There are many ways for you to interact with your legislators, and different situations call for different types of communication. In general, these methods include meetings, telephone calls, faxes, and email. Regardless of which method you choose, the most important aspect of any communication with elected officials is your message. Your message should convey how important the services you provide to entrepreneurs result in business creation and growth. Equally as important is to make your message your own. While AEO regularly sends out Action Alerts and issue-specific draft letters for your use, you should always personalize your communication and highlight your organization's impact in your community. Lastly, if you are contacting one of your own Representatives or your two Senators, it is always important to emphasize that you are a constituent.

The following are a few simple steps to follow when setting up your meeting or communicating with your elected officials.

Meetings

A meeting with your Congressional delegation can be a great way to ensure they understand the key issues facing microbusinesses in their state. You are not expected to be an expert on legislative issues. But by making an introduction and leaving behind information, you are taking the first step in developing a very important relationship.

How to Schedule Your Meeting

- If you are coming to Washington, DC, try to meet with your two Senators and your Representative in the House, otherwise contact the District office.
- Click [here](#) to find your Senators, and [here](#) to find your Representative.
- If you would like to schedule a meeting with your legislator, send your request in writing to the scheduler. To find the name of the scheduler, call the Washington, DC office to ask for the name, fax number or email address, and how they handle meeting requests.
- For a meeting request for a member of the staff, contact that person directly.
- Be sure to note who you are and your affiliation with AEO in your meeting request.
- Be sure to follow up with a phone call to ensure the scheduler or staff person has received your request.

Prepare for your Meeting

- Take a minute to review AEO's key policy issues.
- Research the legislator's website.
- Review your state's Overview of Microbusiness handout, which is available for all 50 states and the District of Columbia [here](#).
- Consider taking along a business that, with your assistance, is a success.
- Most meetings last 15 minutes. However, be prepared for 20 seconds or 30 minutes.
- Prepare to tell your story about the impact your organization plays in microbusiness development in your state. Success stories are very powerful.

Meeting Day

- Be prepared, be personable, and be professional.
- Be on time and be flexible.
- Use a meeting as an opportunity to educate legislators and their staff about AEO, the microbusiness industry, and your organization and the work you do in your community.
- As a member of AEO, always offer to facilitate introductions to other AEO members.

- Here is a sample meeting agenda you may find helpful:
 - Introduce yourself, your organization, your affiliation with AEO, and where you are located.
 - Share AEO's policy priorities with the legislator/staff and discuss [microbusiness in your state](#) and the important role your organization plays in entrepreneurship and microbusiness development.
 - If you are in Washington, ask them for District office contacts so you can establish a relationship at home and vice versa.
 - Leave behind your business card and any supporting [policy one-pagers](#) you may have.
 - Collect cards from everyone with whom you meet.

Follow Up

- Thank the Legislator/staff member with an email promptly after your meeting.
- Reiterate your request to establish a relationship at the District office or with the Washington, DC office.
- Give feedback to AEO about your visit.

Writing a Letter or Sending an Email

Writing a letter or sending an email can have the same impact as an in-person meeting, so long as you follow these simple steps. Sending an email or faxing a letter is the preferred method when asking your elected official to support or oppose legislation. Sending letters by mail is not recommended, because of the screening requirements, which result in delays.

- When addressing a letter, below is the suggested format.
 - For Senators:

The Honorable [Full name]
United States Senate
Washington, DC 20510

Dear Senator [Last name],
 - For Representatives:

The Honorable [Full name]
United States House of Representatives
Washington, DC 20515

Dear Representative [Last name],
- For emails, make sure you send a copy of your communication to the staff person who covers small business or microbusiness. If you are unsure who that person is, call the Washington, DC office and ask for the appropriate staff person.
- Stay focused and be concise. Letters should be no longer than one page. You should identify the reason for your communication in the first paragraph.
- Personalize your message. Rather than simply signing a form letter, be sure to communicate why this issue is important to you. Elected officials want to know how the issue impacts their constituents or their District.
- Include the name of your organization and where you are located if you are a constituent.
- Be sure to note your affiliation with AEO.
- After faxing your letter, follow up with the office to ensure receipt. Ask if they have any questions or require any additional information.

Writing an Op-Ed/Opinion Piece

In addition to meetings and written communication, you should also consider writing an op-ed piece for your local or state newspaper. Elected officials pay attention to these outlets to stay informed on the issues that their constituents care about at home. Many of the same rules apply to writing op-eds.

Try to keep your message short and as concise as possible (most newspapers have an 800 word limit for op-ed pieces) and tie it to a personal story or current event. You should also consider asking AEO or other MDOs in your state to add their names to your op-ed. After your op-ed is published, share it with your legislators' District offices. This is a great way to show that you are active in the community and may provide for an opportunity to engage your elected officials for a meeting or invite them to meet with your organization.

No matter which method you chose to communicate with your legislators, keep in mind that one of the most effective ways to support micro-business development is to educate legislators and their staff about our industry, connecting national policies and issues to your community and your organization. Educating elected officials about the industry and how the work your organization does in their District will help them understand how their work in Washington impacts the community at home. Lastly, effective communication and building relationships will enable you to serve as a valuable source of information in the future. These are the keys to truly effective advocacy.

UNLEASHING THE POWER OF ONE IN THREE – AN EXPLANATION OF AEO’S POLICY PRIORITIES

The Power of One in Three

In May 2011, AEO released [The Power of One in Three](#) Report, which found that if our economy is to bounce back and grow, it must happen on Main Street. Nearly nine in ten American businesses are microbusinesses. Historically, these businesses have created the jobs that have helped our economy grow out of previous downturns. In fact, AEO has found that “if just one in three microbusinesses hired a single employee, the U.S. would be at full employment.” AEO continues to focus its advocacy and policy efforts under this banner.

Small Firms, Big Impact

A microbusiness is defined as a business with five or fewer employees. They represent a truly large segment of the American economy and employment across the country.

- There are 25.5 million microbusinesses – 88% of all businesses – in the United States. These businesses generate \$2.4 trillion in receipts, account for about 20% of U.S. GDP, and employ more than 31 million people.
- “1 in 3” – if one in three microbusinesses were to hire a single employee, the U.S. economy would achieve full employment.
- Investments in microbusiness development matter: 88% of small businesses that receive training and business assistance (also known as technical assistance) from microenterprise development organizations (MDOs) are still in business after five years, which compares to an overall five year business survival rate of less than 50%.

Funding For Business Resources Pays Off

There is no shortage of determined, committed, and capable entrepreneurs who need to be appropriately capitalized and coached. However, there is an availability, access, and impact problem – not just access to capital but access to opportunities. Business assistance programs, provided by AEO members and other nonprofit organizations, offer critical support to these entrepreneurs, especially now in a time of a constrained and limited federal budget.

Federal government programs that provide these critical resources to entrepreneurs and microbusinesses include the following:

- SBA Program for Investment in Micro-Entrepreneurs (PRIME)
- SBA Microloan Program, both the Lending and Technical Assistance components
- SBA Women’s Business Centers (WBCs)
- USDA Program for Rural Microentrepreneur Assistance Program (RMAP)
- USDA Rural Business Enterprise Grant (RBEG) Program
- USDA Rural Business Opportunity Grant (RBOG) Program
- Treasury’s Community Development Financial Institutions (CDFI) Fund
- Department of Labor’s Employment & Training Administration’s Workforce Investment Act (WIA) programs
- Department of Labor’s Workforce Innovation Fund

AEO participates actively in the appropriations process. From when the President’s Budget is released in early February through the Congressional approval of appropriations bills, AEO advocates for funding for these important programs. Our strength comes from active participation by AEO members. An integral part of advocating for funding for these programs is taking action when AEO sends out [Policy Updates and Action Alerts](#) to its members and coalition partners.

An Action Alert contains a brief update on the appropriations process and asks you to contact your elected officials to help push for funding for these programs along with a draft sample letter for your use. If you do not already receive AEO Action Alerts, make sure you [sign up](#) to receive them.

Starting A Business Is Job Creation

With elevated unemployment lingering, providing entrepreneurs with access to business assistance and training programs will not only increase their odds of success, but could also create jobs for others.

Workforce Investment Boards, created by the Workforce Investment Act of 1998 (WIA), assist job seekers in state unemployment systems. However, an unemployed person who wants to pursue starting a business is not eligible to receive training because of assessment and evaluation metrics. The Department of Labor is in favor of amending these metrics to allow and encourage Workforce Investment Boards to provide entrepreneurship training, but Congressional action is needed. AEO has been working with the Congress to push for this kind of legislation.

Self-Employment Assistance (SEA) programs allow unemployed entrepreneurs receiving unemployment benefits to continue to receive those benefits while starting a business. Today, seven states have such programs in place, including Delaware, Maine, Maryland, New Jersey, New York, Oregon, and Pennsylvania. AEO successfully advocated for legislation encouraging states to adopt SEA programs.

- Note: [The Middle Class Tax Relief and Job Creation Act](#), H.R. 3630, also known as the payroll tax extension bill, contained a provision that would make it easier for states to adopt SEA programs and would provide \$35 million for one year in the form of grants to states to help implement SEA programs. This is exactly the kind of legislation AEO has pushed for and supported.

Providing Innovative Resources Moves the Needle on Job Creation

AEO supports the following legislative proposals, each of which would assist AEO's member organizations to better support entrepreneurs and microbusinesses. AEO is actively pushing for the enactment of the following legislation:

- The Microenterprise and Youth Entrepreneurship Development Act (H.R. 2809), introduced by Rep. Cedric Richmond (D-LA), would strengthen the SBA's PRIME Program and create one single access point for information on the government's business assistance programs.
- The Entrepreneur Startup Growth Act (H.R. 3571), introduced by Rep. Judy Chu (D-CA), would provide grants to nonprofit microbusiness development organizations to provide tax preparation services to disadvantaged and underserved entrepreneurs.
- The Entrepreneur Access to Capital Act (H.R. 2930/S.1970), the "Crowdfund Act" would ease and simplify reporting requirement for small value investors for certain crowdfunded securities in small businesses.

AEO invites you to advocate for passage of these bills in the Congress when you engage your elected officials. For more information on these and other bills that AEO supports, visit the [Policy Overview](#) section of AEO's website.

Expanding Broadband Internet Yields Endless Opportunities

AEO supports the Small Business Broadband and Emerging Technology Enhancement Act of 2011 (S. 257), introduced by Senators Mary Landrieu (D-LA) and John Kerry (D-MA). This bill would allow the use of SBA 7(a) loans and microloans to purchase broadband equipment and services. Increasing broadband access to small and microbusinesses, especially those in rural and underserved communities, will boost local economies and create jobs.

Participating in the Community Advantage Program

Last year, the SBA launched the [Community Advantage Pilot Program](#), which is intended to meet the credit, management, and business assistance needs of small and microbusinesses in underserved communities. The Community Advantage Pilot Program provides SBA 7(a) loan guaranties for loans of up to \$250,000 to mission-oriented non-profit financial intermediaries focused on economic development.

AEO was very active during the initial rollout phase of the program, offering insights to the SBA, submitting comments on the proposed program, and educating members on the program. Since its implementation, AEO has shifted to educating its members on the potential benefits of participating in the Community Advantage Pilot Program. AEO is actively encouraging MDOs, who are either SBA Microlenders or CDFIs, to investigate the program and to consider applying to become an approved lender.

For more information and for programmatic details, take a look at the [Presentation](#) prepared by AEO on recently implemented changes (December 2011) to the Community Advantage Program. AEO views the Community Advantage Pilot Program as an opportunity to substantially increase access to credit for underserved entrepreneurs across the country.

FEDERAL AGENCY RULES MATTER

Get Out In Front on Federal Regulations

After a legislative proposal has been enacted by the Congress and signed by the President, your job as an advocate is not quite done. Submitting public comments to federal agencies is an important way to guide the implementation or revamping of government programs. Influencing the implementation of a program can help assure that a good policy is carried out in the way it was intended.

When a new program has been created by legislation and funding has been appropriated by Congress, the federal agency that has been tasked with implementing the program must first design and write the “rules” for it. Alternatively, if an agency wants to amend a current program or initiate a pilot program, such as the SBA’s Community Advantage Pilot Program, it must also write rules. These guidelines must be posted publicly and remain open for public comment for up to 60 days. All rules are posted on www.Regulations.gov, the government’s official online regulations repository. The federal agency implementing the new program must review the comments it receives and finalize the rule, which is also posted on www.Regulations.gov.

AEO closely monitors opportunities for comment posted on www.Regulations.gov for members and coalition partners. When an opportunity arises, AEO sends out an Action Alert to members with an explanation of the rule and suggested responses. Over the last year, AEO submitted public comments on the SBA’s [Community Advantage Pilot Program](#), the SBA’s [Intermediary Lending Pilot Program](#), and the CDFI’s [Bond Guarantee Program \(CBGP\)](#).

MICROBUSINESS AT THE STATE LEVEL: CHALLENGES AND BEST PRACTICES

AEO’s Southeast Initiative

AEO counts many SMAs among its membership and works closely with the Network of State Microenterprise Associations to broaden and deepen their impact. That is why AEO launched the Southeast Initiative, a capacity building program for MDOs in the region of the United States with the largest representation of microbusinesses. The [Southeast Initiative](#) covers Louisiana, Alabama, Kentucky, Virginia, South Carolina, Georgia, Tennessee, West Virginia, North Carolina, Arkansas, and Mississippi.

Of the 25.5 million microbusiness nationwide, the Southeast is home to nearly 7 million of them, representing 88% of all businesses in the region. While these numbers are impressive, the Southeast has been one of the most challenging regions for microbusinesses:

- 76% of businesses have revenues under \$100,000. For black-owned businesses that number is 93% and for women-owned businesses it is 88%.
- There are an estimated 700,000 low-wealth entrepreneurs.
- 290,000 individuals are considered unbanked or underbanked.

Challenges: State Support for Microbusiness is Lacking

According to the [Corporation for Enterprise Development](#) (CFED), challenges remain for microbusiness development at the state level. CFED, a national nonprofit organization, prepared the [State Microenterprise Support Scorecard](#) in the fall of 2011. The scorecard uses four criteria for its rankings. The four criteria are: (1) whether a state provides funding specifically for microbusiness development and whether a state has

laws supporting microbusiness development, (2) whether a state uses federal block grant funding to support microbusiness development, (3) whether a state has a self-employment assistance (SEA) program in place, and (4) whether a state provides funding to its SMA (if one exists).

The scorecard shows that the states covered by the Southeast Initiative could do much more to support microbusiness development. In the Southeast, Alabama and West Virginia met none. Five states met one criterion: Arkansas, Georgia, Mississippi, South Carolina, and Tennessee; three states met two of the criteria: Kentucky, Louisiana, and North Carolina; and the highest ranking went to Virginia, which met three criteria. To underscore the challenges many entrepreneurs face in access capital and obtaining basic business assistance services, none of the states covered by the Southeast Initiative met all four criteria.

Best Practices: Effective State Policies

There are three fronts on which SMAs and MDOs should engage their state governments to push for policies that support microbusiness development. These include: (1) advocating for laws that support microbusiness development, (2) seeking out funding opportunities for microbusiness development programs and funding for SMAs, and (3) encouraging states to implement self-employment assistance programs.

As CFED's State Microenterprise Support Scorecard demonstrates, stronger policies are needed to strengthen microbusiness development at the state level. Practitioners are in a better position to tell a story about the impact of microbusiness development, educate decision makers about the successes of clients, and make the case for policies that bolster and support microbusiness development at the state level.

Passage of Laws That Support Microbusinesses

- Best Practice: State-sponsored reports on microbusiness and the creation of study committees
 - In 2010, the South Carolina General Assembly passed [H. 4352](#), a law that created a study committee to review, study, and make recommendations concerning the need to foster the development of microbusiness in South Carolina. The law also requires that the recommendations contained in the report be turned into a legislative proposal and brought before the General Assembly for a vote in September 2012.
 - Once established, SMAs and MDOs should apply to serve on panels, commissions, and committees because participation is vital to influencing policy outcomes.

- Best Practice: "Microbusiness Awareness Month" designation to raise awareness
 - A very good way to bring awareness to microbusiness development is the designation of a month by the legislature as "Microbusiness Awareness Month."
 - In 2010, South Carolina designated June 2011 as "Microbusiness Awareness Month."
 - In 2009, the [California Association for Microenterprise Opportunity](#) (CAMEO), California's SMA, successfully advocated for the passage of [SCR 41](#), which designated July as "California Microenterprise Development Month."

- Best Practice: Recognition of microbusiness at state level jobs councils and offices to promote microbusiness development
 - In October 2011, California adopted [AB 29](#), establishing the Governor's Office of Business and Economic Development (GO-Biz). The office serves as the lead entity for economic strategy and the marketing of issues relating to business development, including microbusiness development, making recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

Funding for Microbusiness Development Programs and Funding for SMAs

- Best Practice: Nebraska has supported microbusiness development since the 1997 passage of the [Nebraska Microenterprise Development Act \(LB327\)](#)

- Every year the state of Nebraska makes funding available to a statewide intermediary organization for microbusiness development, which distributes the funding to MDOs across the state. The [Nebraska Enterprise Fund](#), an AEO member, has served as the statewide intermediary for the last 14 years in Nebraska. Currently, 34 states have similar programs in place.
- Best Practice: Encourage states to include microbusiness development in federal block grant funding applications
 - Microbusiness development and some business assistance training services for underserved entrepreneurs can be funded through [Community Development Block Grants](#) (CDBGs), [Workforce Investment Act](#) (WIA) Programs, and [Temporary Assistance for Needy Families](#) (TANF) Program funding.
 - SMAs and MDOs should encourage states to include microbusiness development and business assistance training initiatives in their applications for federal block grant funding.

Implementation of Self-Employment Assistance Programs

- Although overseen by the Department of Labor in Washington, DC, [self-employment assistance](#) programs are implemented at the state level.
 - Under federal law, states can implement a SEA program that allows individuals to receive unemployment benefits while receiving business assistance and counseling to start a business.
 - The [Middle Class Tax Relief and Job Creation Act](#), H.R. 3630, which is now law, makes it easier for states to implement SEA programs and provides \$35 million for FY12-FY13 in the form of grants to states to implement SEA programs.
 - Currently, seven states have SEA programs in place: Delaware, Maine, Maryland, New Jersey, New York, Oregon, and Pennsylvania.
 - SMAs and MDOs need to encourage states to implement SEA programs.

TOOLS AND RESOURCES FOR EFFECTIVE ADVOCACY

Data To Help Make Your Case

Your biggest ally is good data. Whether you are advocating for microbusiness development on Capitol Hill with a Member of Congress or meeting with government officials at the local, state, or federal level, your biggest ally is data and statistics to help make your case. Anecdotal evidence is good, but specific data is key to effective advocacy. AEO provides a number of data resources available to our members to support their advocacy efforts.

- [Microbusiness By The Numbers](#): A State-by-State Analysis of Microbusinesses
 - A fact sheet for each of the fifty states and the District of Columbia
 - These fact sheets provide a snapshot of microbusiness in each state, including the number of microbusinesses, the percentage of all businesses that are microbusinesses, the median net worth of business owners in that state by socio-economic category, and a list of microenterprise development organizations in that state.
- [The Underserved Entrepreneur Index](#)
 - AEO's latest piece of data analysis.
 - The Underserved Entrepreneur Index sums up microbusiness numbers across the country by region and introduces metrics that prove the importance of microbusiness to our economy.
- [Microenterprise Business Statistics](#) (MEBS)
 - MEBS calculates the percentage of all businesses that are microbusinesses and provides data that clearly illustrates the prominence of microbusiness in U.S. communities.
 - MEBS data show a breakdown of:
 - Total number of microbusinesses;
 - Total number of businesses with employees; and
 - Microbusinesses as a percentage of all businesses.
- [Microenterprise Employment Statistics](#) (MMES)
 - MEES calculates the percent of employment that is attributed to microbusinesses (businesses with five or fewer employees).
 - MEES provides statistics on the economic prevalence of microbusinesses in terms of employers and employees through a county-by-county breakdown of three indicators vital to understanding the impact of microbusinesses on the U.S. economy:
 - Total number of microbusinesses;
 - Total microbusiness employment; and
 - Microbusiness as a percentage of total employment.
 - MEES also classifies each U.S. County as Rural or Urban and provides a breakdown of rural/urban Microbusiness employment and the percentage of rural/urban Counties employed by Microbusinesses.

Policy Updates

AEO provides a number of additional policy-related materials to our members on a monthly and ad-hoc basis. Effective advocacy requires that our members be educated and informed on the latest policy initiatives and legislative news in Washington. In order to help AEO member organizations, State Microenterprise Associations, national policy coalition partners, local agencies, and other industry stakeholders stay informed, AEO provides:

- Timely Policy Updates, Policy Alerts, and Statements
 - [Policy Alerts](#) are prepared by the AEO Policy Team to keep members and coalition partners abreast of pending federal legislation and Executive Branch actions.
 - If you do not already do so, [sign up](#) to receive AEO Policy Alerts and AEO Action Alerts.

In the News, Press Room, and Blog

- [Stay informed](#) on AEO's latest news, announcements, and official press statements.
- Engage in a national dialogue about the bold, innovative, and extraordinary solutions that U.S. entrepreneurs need by reading and contributing to AEO's [blog](#).

Meeting with Your Legislator Guide

- In addition to the information contained in this toolkit, AEO has a separately available [guide](#) that you should consult ahead of planning any meetings with your elected officials.

Additional Resources and More Information

- The Association for Enterprise Opportunity's website: www.AEOworks.org
- AEO's [Policy Website](#)
- The U.S. House of Representatives: www.House.gov
- The U.S. Senate: www.Senate.gov
- THOMAS: <http://Thomas.loc.gov>
- The [Congressional Record](#), a place to look up all proceeding of the Congress
- Research a legislator's [Voting Record](#)
- [BusinessUSA](#), the federal government's one-stop shop for everything related to business in the USA
 - A central online portal to access all business-related information, including information on specific programs and grant opportunities
 - A collaboration with the following agencies: Department of Agriculture, Department of Commerce, Department of the Treasury, Internal Revenue Service, Department of Veterans Affairs, Export-Import Bank, the General Services Administration, Overseas Private Investment Bank, Small Business Administration, and the U.S. Trade Development Agency
- The U.S. Small Business Administration: www.SBA.gov
- The Community Development Financial Institutions (CDFI) Fund: www.CDFIFund.gov
- The Department of Agriculture: www.USDA.gov
- The Department of Labor: www.DOL.gov
- State Government information: www.USA.gov and www.usa.gov/Agencies/State-and-Territories.shtml
- The Aspen Institute's [FIELD Initiative](#), an industry-specific source for information and data on the microbusiness development industry (AEO Coalition Partner)
- The [Corporation for Enterprise Development](#) (CFED) is a national, nonprofit based in Washington, DC dedicated to expanding economic opportunity for low-income families and communities (AEO Coalition Partner)
- The [National Association for the Self-Employed](#) (NASE) offers entrepreneurs a wide range of resources and tools to help you run your business successfully (AEO Coalition Member)
- The [Center for Rural Affairs](#) (CFRA) is the national association advocating for policies that support rural communities, reduce poverty, reward stewardship, and strengthen small farms and businesses (AEO Coalition Member)

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