

2012 Policy Priorities



“If just one in three microbusinesses hired one additional employee, the U.S. would be at full employment.”

In May 2011, the Association for Enterprise Opportunity (AEO) released its groundbreaking *The Power of One in Three* report on microbusinesses—those businesses with just five or fewer employees. The report demonstrated the potential of microbusiness to create jobs and get America working again. Nearly 9 out of 10 businesses in the U.S. are microbusinesses. These entrepreneurs could be the engine of job creation and economic recovery. To find out how you can join AEO in unleashing the power of microbusiness to create jobs, visit www.aeworks.org.

AEO INTRODUCTION – ABOUT US

The Association for Enterprise Opportunity (AEO) is the national membership organization and voice of microbusiness development in the United States. AEO creates opportunities for underserved entrepreneurs. 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.

Small Firms, Big Impact

- There are 25.1 million microbusinesses – 88% of all businesses – in the United States. These businesses generate \$2.4 trillion in receipts, account for 17% of U.S. GDP, and employ more than 31 million people.
- “1 in 3” – If one in three microbusinesses were to hire one employee, the U.S. economy would achieve full employment.
- Investments in microenterprise development matter: 88% of small businesses that receive training and technical assistance (TA) from microenterprise development organizations (MDOs) are still in business after five years. This compares to an overall five year business survival rate of less than 50%.

Funding For Business Resources Pays Off

Small businesses are the backbone of the American economy. In fact, the SBA reported in March 2012 that the demand for its microloans continues to grow, reaching its highest level since 2005. Equally important are business assistance programs, also known as technical assistance (TA), provided by nonprofit organizations to encourage job creation. Together, access to capital and business assistance can help unleash the Power of One in Three. Below are AEO’s funding requests for FY2013.

SBA PRIME Program	\$5 M	USDA Rural Microentrepreneur Assistance Program	\$36 M
SBA Microloan - Lending	\$25 M	USDA Rural Business Enterprise Grant Program	\$32 M
SBA Microloan - TA	\$20 M	Community Development Financial Institutions (CDFI) Fund	\$221 M
SBA Women’s Business Centers	\$14 M	DOL WIA – Adult Employment & Training Activities	\$769
SBA Small Business Development Centers	\$108.1 M	DOL Workforce Innovation Fund	\$125 M (FY13/FY14)

Starting a Business Is Job Creation

With unemployment lingering, providing entrepreneurs with access to business assistance programs will increase their chances of success and create jobs in their communities.

Self-employment assistance (SEA), included in the Middle Class Tax Relief and Job Creation Act (H.R. 3630), allows individuals receiving unemployment benefits to use those funds towards starting a business. Expedient design and implementation of SEA by the Department of Labor will help entrepreneurs create jobs for themselves.

Workforce Investment Boards, created by the Workforce Investment Act of 1998 (WIA), assist job seekers at state unemployment centers. However, an unemployed person who wants to start a business is not eligible for training because of assessment and evaluation metrics contained in the law. The Department of Labor has endorsed amending these metrics, but legislation is needed to fix this issue.



Association for Enterprise Opportunity
1111 16th Street NW
Suite 410
Washington, DC 20036
Phone 202 650-5580
www.aeworks.org