



ASSOCIATION FOR ENTERPRISE OPPORTUNITY



Domestic Violence and Microenterprise Development

In general, microenterprise development programs are not trained in domestic violence issues, even though it is extremely likely that current domestic violence victims and persons who have previously experienced abuse are among their program clients. Additionally, domestic violence programs are generally unaware of microenterprise development as an economic self-sufficiency option for their clientele. Entrepreneurship is an important option for survivors of domestic violence, as survivors have often been prevented from sustaining employment at meaningful wages.

Domestic violence survivors often miss work and leave jobs due to physical injuries, embarrassment about the abuse, pressure from their abuser, harassment from the abuser at the workplace, and sometimes in an attempt to go into hiding from their abuser. Erratic patterns of employment caused by the cycles of abuse make it difficult for domestic violence survivors to find employment at decent wages. Steps are being taken at the national and local levels to build bridges between these fields of microenterprise development and domestic violence services in order to increase and improve entrepreneurship opportunities for domestic violence survivors.

Information for Microenterprise Development Programs

Staff of a microenterprise development program might not be aware of current clients who are experiencing, or have experienced, abuse. Rarely does an abuser inflict visible wounds. Some victims might keep it a secret, while others might want to talk about it.

Signs of abuse include the following:

- 1) A person frequently mentions accidents.
- 2) Unexplained absences from training classes or awkward explanations for absences.
- 3) Making references to a partner's jealousy or demands for attention.
- 4) Decreased productivity.
- 5) Isolation from family or friends.

Sometimes the violence commences when a woman begins to demonstrate entrepreneurial traits and a desire to start a business. The woman's spouse or partner might feel threatened by her interest in financial independence. The partner may use controlling behaviors, such as denying her transportation to class or promising to watch

the kids and then failing to follow through. A woman in this situation might end up as a statistic in a program's drop out rate, without the program ever knowing about the personal obstacles that affected her business development.

Important Domestic Violence Facts

- One in four women experience domestic violence. (The Centers for Disease Control and The National Institute of Justice, *Extent, Nature, and Consequences of Intimate Partner Violence*, July 2000.) Thus, microenterprise programs have a high probability of having domestic violence survivors or current victims among their clients.
- Legal documentation of abuse is low; 1/7th of assaults are reported to the police. (Dept. of Justice, Bureau of Justice Statistics, *Rape and Sexual Assault: Reporting to Police and Medical Attention 1992 – 2000*, 2002.) It is difficult for victims to reveal the violence in their lives.
- Separation violence often occurs once a victim takes steps to leave; the violence accelerates when a person takes action towards self-protection. (Ronet Bachman and Linda Salzman, Bureau of Justice Statistics, *Violence Against Women: Estimates from the Redesigned Survey 1*, January 2000.)
- Domestic violence is widespread across the population in terms of age, culture, economic situation, geography, profession, etc. Domestic violence happens at higher instances and for longer periods of time among women in poverty, due to lack of resources to leave.

A microenterprise development program can take steps to create a safe environment for domestic violence survivors. If program clients realize that staff is concerned about domestic violence, they may feel more comfortable in sharing information about their situation. A program can display domestic violence posters and brochures or place domestic violence hotline cards in the restrooms where they can be picked up privately. During the program orientation, staff could mention that domestic violence presents an obstacle to business development for many people.

If a survivor of domestic violence reveals that she is experiencing abuse, there are helpful things the staff can say, such as:

- 1) "I am afraid for your safety and the safety of your children. I am concerned about issues you might be having at home." This might encourage a person to open up.
- 2) "You don't deserve this. It's not your fault."
- 3) "I'm supportive of you whether you stay in the relationship or leave."
- 4) "This will probably get worse."
- 5) "I believe you." Victims often doubt themselves, doubt that they are experiencing abuse – this is the atmosphere that the abuser creates.
- 6) "There are lots of people who can help you."
- 7) "Your reactions are normal for having experienced violence."

Staff should avoid making comments such as the following, which could endanger the person or feed into the atmosphere created by the abuser:

- 1) "Why don't you just leave?"
- 2) "I would never let something like that happen to me."
- 3) "I know that you are being abused." (It's better for the survivor to admit it on her own.)
- 4) "I know how you feel."
- 5) "Did you do something to provoke the violence?"
- 6) "That's all in the past, you should just move on."

Staff should be cautious not to disparage the abuser. Negative comments about the abuser may alienate the individual and cause her not to seek support. It's better to keep the focus on the victim's needs and her safety.

If a program client does reveal that she is being abused, microenterprise program staff should be prepared with knowledge about where domestic violence support exists in the community. Domestic violence programs can help a victim with safety planning and other supportive services. By developing a relationship with a local domestic violence program, the staff will be able to make a meaningful referral, such as, "I know this person at the shelter and she's really nice, would you like to call her?" Welcome the client to place this type of call from the program office, as it may not be safe for her to make it from home.

Staff may need to make program adjustments to address a victim's safety issues. A local domestic violence program may be able to assist with this planning. For example, it could be dangerous for a victim to take business training materials home or to do homework. If she is being encouraged to do research on the Internet, the abuser might track what she is doing on the computer. If someone is being abused, the abuser might try to call the program and track the person down, saying something like, "I want to know what time ___ will be in class this weekend." The program can develop policies for these situations, such as never confirming or denying that a person is a client.

Partner With Local Domestic Violence Programs

- Obtain their business cards, brochures, posters or other outreach materials for display.
- Learn about their services.
- Get to know a staff person to make a meaningful referral.
- Cross train - ask if your program can present to their staff and vice versa. Ask for staff referrals to your microenterprise services.
- Ask if you can directly present your services to their clients. Be respectful of their confidentiality policies.
- Find out if the state coalition has a statewide meeting/conference and ask to participate as a speaker.

Resources Available

- State domestic violence coalitions can help identify local domestic violence programs in your area. Local domestic violence programs often offer public trainings that might be helpful to your staff. State coalitions are listed on the National Coalition Against Domestic Violence (NCADV) website at www.ncadv.org, under "resources".
- NCADV has a personal financial education curriculum called Hope and Power geared towards women who have experienced domestic violence. Free copies available through www.ncadv.org, under "products".
- WSCADV has a simulation available called "In Her Shoes" which helps people understand the situations a battered woman faces. Available through www.wscadv.org.

Information for Domestic Violence Programs

Microenterprises are businesses with five or fewer employees requiring \$35,000 or less in start-up capital. Though small individually, microenterprises are a key to strong local economies and provide much needed jobs and increased local tax revenue. The Association for Enterprise Opportunity (AEO) estimates that there are over 20 million U.S. businesses with five or fewer employees (representing 17% of all private employment), and an estimated 10 million of those have faced difficulty in obtaining bank financing. Operating a microenterprise also represents a path out of poverty and an opportunity to reach financial security for many low-income individuals.

Important Microenterprise Facts

- There are an estimated 10 million microenterprises in the U.S. (Edgecomb and Klein, *Opening Opportunities, Building Ownership*, the Aspen Institute, February, 2005.)
- There are approximately 500 U.S. programs providing business development services to microenterprises. (2005 Directory of U.S. Microenterprise Development Programs, AEO.)
- 30 states have state microenterprise associations.
- In a study of low-income entrepreneurs, the survival rate of microbusinesses after five years was 57% - which compares favorably to the US Small Business Administration small business survival rate of 40% after four years. (The Aspen Institute' Self-Employment Learning Project from 1991-1997.)
- 53% of the low income entrepreneurs in that study were able to move out of poverty. In most households, family income nearly doubled over a five-year period.
- Many women choose self-employment due to the flexibility needed to balance home and work responsibilities.

Microenterprise development in the U.S. originated with organizations seeking to create economic opportunities for women. Women interested in starting a business, particularly low-income women, often encountered difficulties accessing business capital and lacked the skills necessary for business success. Organizations began offering business training and access to capital programs to assist women in starting businesses and creating economic independence. Even today, the client base of most microenterprise development programs is more than 50% women.

Today there are approximately 500 microenterprise development programs operating in the U.S., which offer services such as: business training; technical assistance; access to markets and capital; personal financial education; and technology training. Frequently, microenterprise development programs focus on disadvantaged populations and work to bridge the gap between low-income individuals and the tools they need to start and grow successful businesses. Participants of microenterprise development programs often increase their self-esteem and involvement in the community as they develop new business skills and create new opportunities to increase their income and assets.

Microenterprise development services, in some instances, are the sole focus of an organization, and in other cases can be found housed within a non-profit organization that provides a variety of other services. Microenterprise development programs are often housed in Community Action Agencies, community development corporations,

family service organization, faith-based organization, small business development organizations, and many other types of organizations.

Starting a microenterprise or turning a current microenterprise into a reliable income stream might be a viable economic option for a domestic violence survivor. A microenterprise development program can help the staff of a domestic violence program assess the business development potential of their clients and make appropriate referrals for microenterprise development services. A microenterprise development program may even be able to offer a program orientation or training specifically for the domestic violence program's clients, if there appears to be enough interest.

The potential benefits of microenterprise development for domestic violence survivors include:

- Economic independence
- A way to patch income during a transition
- An opportunity to create a new start/ personal empowerment
- Flexible hours for caring for children or other family matters
- New supportive networks

Some challenges to consider include:

- Microenterprise development program staff are not trained specifically on domestic violence. They may need advice on how to make adjustments to accommodate a domestic violence survivor.
- If a woman still has contact with an abusive partner, business ownership can be seen as threatening. Staff of microenterprise development programs may not be prepared for safety planning.
- Survivors are at different stages of healing, and staff may have difficulty assessing their readiness for business and their support needs

Some microenterprise development programs focus primarily on business development training, while other programs focus primarily on providing financing for businesses. It is likely that a person emerging from a domestic violence situation is going to need assistance beyond financing to launch and grow a business. She may have personal credit and debt issues to resolve. She will need to outline a business plan that will work with her transitional situation. When a domestic violence program seeks out a microenterprise development program to partner with, the staff will need to keep in mind the probable training and consulting needs of their clients.

Identifying A Quality Microenterprise Development Program Partner

- Find out what the client completion rates are for business development training. Completing training and completing a business plan are associated with business success after training.
- With effective microenterprise development training programs, many low-income individuals start and stabilize businesses within 18 months of completing classes.
- Effective programs know that readiness for business matters. Strong programs offer a range of services to help clients assess their capacity & acquire the resources and experience needed.
- Financial skills matter. A business development training should teach skills such as cash-flow projections, cash flow management, break-even analysis & pricing.
- Effective programs offer ongoing business assistance over the critical start-up & growth stages of business development.
- Many programs also offer personal financial education and access to credit and debt repair, recognizing that personal financial issues affect business success.

Resources Available

- State microenterprise associations can help identify local microenterprise development programs in your area. There is a link to a listing of State Microenterprise Associations from the home page of the AEO website at www.microenterpriseworks.org.
- Many local microenterprise development programs are listed on AEO's website at www.microenterpriseworks.org/nearyou/

About This Fact Sheet

This fact sheet was made possible by support from the Ms. Foundation for Women. Partners on development of the fact sheet are the Association for Enterprise Opportunity (AEO) and the National Coalition Against Domestic Violence (NCADV).

Association for Enterprise Opportunity

Founded in 1991, the Association for Enterprise Opportunity (AEO) is the national association of U.S. microenterprise development programs committed to microenterprise development as an effective economic development strategy and powerful poverty alleviation tool. AEO provides its members with a forum, information, and a voice to promote enterprise opportunity for people and communities with limited access to economic resources. The mission of AEO is to support the development of strong and effective U.S. microenterprise programs to assist underserved entrepreneurs in starting, stabilizing, and expanding businesses.

National Coalition Against Domestic Violence

The National Coalition Against Domestic Violence (NCADV) is a national membership organization dedicated to the empowerment of battered women. NCADV organizes for collective power by advancing transformative work, thinking and leadership of communities and individuals working to end the violence in our lives.