

<b>TRAINING AND EMPLOYMENT NOTICE</b>	<b>NO.</b> 33-16
	<b>DATE</b> January 17, 2017

**TO:** AFFILIATE AMERICAN JOB CENTER DIRECTORS  
 COMPREHENSIVE AMERICAN JOB CENTER DIRECTORS  
 WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) 166  
 INDIAN AND NATIVE AMERICAN GRANTEEES  
 DEPARTMENT OF LABOR (DOL) EMPLOYMENT AND TRAINING  
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 WORKFORCE DEVELOPMENT BOARD LOCAL EXECUTIVE DIRECTORS

**FROM:** PORTIA WU /s/  
 Assistant Secretary

**SUBJECT:** Release and Availability of Three Issue Briefs from an Evaluation of the Self-Employment Training Demonstration

1. **Purpose.** To announce the release and availability of three issue briefs from the current evaluation of the Self-Employment Training (SET) demonstration. These briefs provide lessons learned and implementation issues faced as part of a project piloting self-employment assistance and training services for dislocated workers. The briefs include:

- *Case Management for Self-Employment Success: Emerging Lessons from the Self-Employment Training Program;*
- *The Characteristics and Motivations of Participants in the Self-Employment Training Demonstration; and*
- *What Does \$1,000 in Seed Capital Buy? Emerging Lessons from the SET Program’s Offer of Micro-grants for Business Start-Ups.*

2. **Background.** The Employment and Training Administration (ETA) initiated the SET demonstration to help dislocated workers interested in creating businesses in their fields of expertise. Currently, assistance for those who want to start their own businesses is scattered among many different service providers, and people interested in self-employment do not always know where to access services or seek advice on an ongoing basis. The SET demonstration is a “pilot program” designed to test a model in which people interested in self-employment have access to dedicated self-employment advisors who assess their needs on an

ongoing basis and provide tailored support to guide their journey through self-employment. The demonstration seeks to determine the kinds of services and supports that can help such dislocated workers, and also to draw lessons to help inform the workforce development system about the role of self-employment as a reemployment strategy for dislocated workers.

SET is a new concept that is being pilot tested on a limited scale. SET is offered in four sites: Chicago, Illinois; Cleveland, Ohio; Los Angeles, California; and Portland, Oregon. The program enrolled 1,981 participants between July 2013 and January 2016. SET demonstration services are delivered by qualified microenterprise service providers, working in close partnership with participating American Job Centers and the Unemployment Insurance program.

To be considered for participation, applicants must meet the demonstration's eligibility criteria and agree to be part of the evaluation of the SET demonstration. Eligible applicants had a 50-50 chance of receiving SET services; that is, they will be assigned by lottery to either a SET group or a comparison group. SET group members have access to SET services. Comparison group members did not receive SET services but continue to have access to available American Job Center services and other self-employment supports that might be available in their communities.

Also, ETA has funded a rigorous randomized control trial evaluation, conducted by Mathematica Policy Research, Inc., to provide information regarding the effectiveness of the SET demonstration. The evaluation will address the following five questions:

- What are the characteristics of the SET demonstration participants?
- How well is the SET demonstration implemented and what factors influence implementation?
- What is the net impact of the SET demonstration on participants' receipt of self-employment assistance services?
- Does the SET demonstration increase business ownership?
- What are the net impacts of the SET demonstration on participants' employment, total earnings, and overall well-being?

As of the date of this TEN, the evaluation continues to be underway. A final report will be issued after the evaluation is complete.

**3. Publication Description.** These briefs document the early lessons from and explore implementation issues identified through the pilots.

- **Case Management for Self-Employment Success: Emerging Lessons from the Self-Employment Training Program**

Key Findings include: The SET case management model can be implemented with fidelity. Most participants received timely and sustained case management interactions. Among

assigned participants, 89 percent had in-person intake meetings and intake occurred within two weeks of program acceptance on average, as required. Among those who received intake, 55 percent received timely monthly check-ins and 41 percent received quarterly assessments. As expected, most microenterprise providers used case management to customize services to address participants' needs.

- **The Characteristics and Motivations of Participants in the Self-Employment Training Demonstration**

Key Findings include: 1) The average SET study participant was an experienced, college-educated, middle-aged worker. More than half (57 percent) of participants had at least a four-year college degree, and nearly all (93 percent) had at least some postsecondary education. A large majority (80 percent) had experience working as a manager for someone else, on average for seven years. Participants' average age was 44. 2) The principal motivation for applying to SET was to gain a source of income. Among SET study participants, 60 percent were unemployed when they applied.

- **What Does \$1,000 in Seed Capital Buy? Emerging Lessons from the SET Program's Offer of Micro-grants for Business Start-Ups**

Key Findings include: 1) An amount as low as \$1,000 can help participants get their business started. Most of the SET microenterprise providers and all 12 participants interviewed reported that the micro-grant could be helpful to those starting their businesses. Micro-grant recipients asked for close to the full amount of funding available, on average. Nonetheless, seed capital "take-up" has been limited: only 38 percent of the participants assigned to a microenterprise provider for at least eight months have received seed capital. 2) Most micro-grant recipients used the \$1,000 to invest in electronics, supplies, and marketing materials that could help them bring in and serve customers. The highest amounts of both average and total funding requested were for electronics and supplies. Electronics, supplies, and marketing materials were also most frequently requested.

4. **Inquiries.** To view these briefs, visit the ETA Research Publication Database Web site at: <http://wdr.doleta.gov/research/keyword.cfm>.