

REPORT



FINAL IMPLEMENTATION STUDY REPORT: APPENDICES

CREATING JOBS WHEN YOU CAN'T FIND ANY: Implementation Lessons from a Self-Employment Pilot Program for the Unemployed

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Samia Amin
Christopher Jones
Natasha Nicolai
Irma Perez-Johnson

Mary Anne Anderson
Kristen Joyce
Mikia Manley

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U.S. Department of Labor
Employment and Training Administration
200 Constitution Ave., NW
Washington, DC 20210
(202) 693-5954
Project Officer: Janet Javar
Contract Number:
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Submitted by:

Mathematica Policy Research
P.O. Box 2393
Princeton, NJ 08543-2393
Telephone: (609) 799-3535
Facsimile: (609) 799-0005
Project Director: Samia Amin
Reference Number: 40099



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APPENDIX A:
SET PROGRAM DESIGN

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This appendix summarizes the program design, implementation strategy, and logic model of the Self-Employment Training (SET) pilot program.

I. SET PROGRAM DESIGN AND IMPLEMENTATION STRATEGY

To design the SET pilot program and specify implementation procedures, we drew on (1) findings from previous Department of Labor (DOL)-funded pilot programs that used randomized controlled trial designs—including, the Self-Employment and Enterprise Development (SEED) demonstration in Washington State, the Massachusetts Enterprise Project (MEP) demonstration, and the first- and second-generation Project Growing America Through Entrepreneurship (GATE) I and II (see Table A.1); (2) a review of research on self-employment and entrepreneurship (see Box A.1 for a summary of relevant findings); and (3) a review of the practitioner literature on microenterprise development support and discussions with self-employment experts and service providers (discussed throughout this section).

Table A.1. Previous DOL-funded self-employment demonstration projects

	Self-Employment and Enterprise Development (SEED) ^a	Massachusetts Enterprise Project (MEP) ^a	Project Growing America Through Entrepreneurship (GATE I) ^b	Project Growing America Through Entrepreneurship (GATE II) ^c
Demonstration design				
Period of implementation	1989–1991	1990–1993	2003–2005	2008–2011
Target population ^d	All UI claimants	UI claimants profiled as likely to exhaust regular UI benefits with more than 26 weeks of UI remaining	Anyone who wished to create, sustain, or expand a business that was legitimate and appropriate	In Alabama and North Carolina, rural dislocated workers; in Minnesota and Virginia, older dislocated workers (older than 45)
Program elements				
<i>Business development services</i>	Classroom training, business plan assistance, counseling, and peer support groups	Enterprise seminar, biweekly workshops, and counseling sessions	Assessment, classroom training, and counseling	Business readiness assessment, one-on-one counseling, and classroom training
<i>Financial assistance</i>	Self-employment allowance payments equal to weekly benefit amounts and a lump-sum payment equal to remaining UI entitlement for those meeting program milestones	Self-employment allowance payments equal to weekly benefit amounts	None	None
<i>Work-search waiver</i>	Yes	Yes	Yes, in 1 out of 3 states	Yes

	Self-Employment and Enterprise Development (SEED) ^a	Massachusetts Enterprise Project (MEP) ^a	Project Growing America Through Entrepreneurship (GATE I) ^b	Project Growing America Through Entrepreneurship (GATE II) ^c
<i>Length of program</i>	No specified length, but average program participation was 7–8 weeks	Up to 12 weeks	No specified length, but average program participation was 4 months	No specified length, but average service receipt amount was 47–49 hours
Study sites	Washington State (6 sites)	Massachusetts (8 sites)	Maine (3 sites), Minnesota (2 sites), and Pennsylvania (2 sites)	Statewide in Alabama, Minnesota, and North Carolina; regional in Virginia (only latter two had impact findings)
Study sample (treatment [T], control [C])	1,507 (T = 755, C = 752)	1,222 (T = 614, C = 608)	4,198 (T = 2,095, C = 2,103)	NC: 1,175 (T = 881, C = 294) VA: 435 (T = 218, C = 217)
Impact findings (as compared to control group)				
Rate of entry into self-employment	25 percentage points at 21 months, 22 percentage points at 33 months	17 percentage points at 19 months, 12 percentage points at 31 months	3 percentage points at 18 months	NC: 9.5 percentage points at 32 months VA: 11.1 percentage points at 24 months
Rate of persistence in self-employment	16 percentage points at 21 months, 12 percentage points at 33 months	12 percentage points at 19 months, no effect at 31 months	No effect after ninth quarter following random assignment	NC: 7.4 percentage point increase in likelihood of being self-employed at 32 months
Employment in wage/salary jobs	Reduced time in wage/salary employment by 0.6 months at 21 months, 0.7 months at 33 months	Increased time in wage/salary employment by 0.8 months at 19 months	Negative impact in half of 16 quarters following random assignment	No effect at any point
Earnings	\$1,596 increase in total self-employment earnings at 21 months; \$1,675 at 33 months No effect on overall earnings	No effect on self-employment earnings \$3,230 increase in wage and salary earnings at 19 months; \$3,053 at 31 months \$4,764 increase in overall earnings at 19 months; \$5,940 at 31 months	No effect on self-employment, wage and salary, or overall earnings	No effect on self-employment, wage and salary, or overall earnings

	Self-Employment and Enterprise Development (SEED) ^a	Massachusetts Enterprise Project (MEP) ^a	Project Growing America Through Entrepreneurship (GATE I) ^b	Project Growing America Through Entrepreneurship (GATE II) ^c
Selected implementation findings				
Partner roles and capacities	UI office staff led orientations while business development specialists provided counseling and support	UI office staff and business development experts led orientations while SBDCs and CBOs provided assistance	One Stop Career Centers helped with recruitment and universities engaged in assessment; SBDCs and CBOs were involved in training and counseling	One Stop Career Centers helped with recruitment, training, and counseling; SBDCs and CBOs were involved in training and counseling
Outreach and recruitment	Invitation letters sent to targeted UI claimants; of those, 7.5% attended informational meeting, 5% submitted applications	Invitation letters sent to targeted UI claimants; 4% attended informational sessions, 2% submitted applications	One-Stop Career Centers were most effective recruiters, followed by word of mouth	NC: Online enrollment, counselor recruitment, and marketing materials (especially in public libraries) were particularly useful VA: Relied heavily on print materials and word of mouth
Engagement with services	60% completed all milestones to receive lump-sum payment, with an average payment of \$4,225 and average time to receive it at 7.8 weeks; 83% of participants attended all four workshops in the program	Significant alterations to curriculum after first year to address participant fatigue and increase attendance; only half of the treatment group attended all program sessions, possibly because they were offered over 9–12 weeks, rather than on consecutive days	Large drop-off observed at orientation; 10% dropped out of services after assessment; 42% of participants received both training and counseling	NC: 34% used three or more services, 26% used no services; classroom training was the most used resource, followed by mentoring VA: 51% received three or more services, 18% received no services; classroom training and counseling were the most popular
Participants' perceptions of services	80% rated workshops as excellent or good; 84% rated counseling sessions as excellent or good	79% rated workshops as excellent or good; 79% rated counseling sessions as excellent or good	52% of participants rated services as very useful, 6% rated them not at all useful.	Not available

^aBenus et al. (1995).

^bBellotti et al. (2006), Benus et al. (2008), Benus et al. (2009).

^cDavis et al. (2013).

^dAll three demonstrations restricted the program to anyone 18 years of age or older who was lawfully able to work in the United States and resided in the service areas of the study site(s). The SEED project excluded UI claimants who were filing interstate claims or were employer attached. The MEP excluded UI claimants who were filing interstate claims, employer attached, full-referral union members, or filing claims backdated 14 days or more.

CBO = community-based organization; SBDC = Small Business Development Center; UI = unemployment insurance

Box A.1. Selected findings from literature review on determinants of self-employment and entrepreneurial success

Many new businesses face risks and challenges that are too diverse to identify up front (Sullivan 2000; Schreiner and Woller 2003). Non-experimental and survey research have shown that factors of industry-specific experience, access to financial capital, personality, psychological makeup, and family connections are correlated with entry into and success in self-employment.

- **Related experience.** Several research studies point to a correlation between specific experience or knowledge in a field and success in starting a new business in that field. One study found that experience within an industry or in an occupation may lead to longer self-employment, whereas other factors, such as general education or general labor market experience, did not (Van Praag 2003). In analyzing a survey of small business owners in New England, another study found that industry-specific experience was a major determinant of small business success (Loscocco et al. 1991). In a study of over 1,000 firms in the Netherlands, founders' prior experience in an industry was found to substantially improve small firms' prospects for survival, profitability, and growth (Bosma et al. 2004). A study which looked at the effect of founding team and start-up experience on the survival and sales of over 200 new businesses in Sweden showed that industry-specific experience of founding teams enhanced both business survival and sales (Delmar and Shane 2006). An entrepreneur's related business experience before start-up and initial firm size tended to be positively related to the probability of success in a study of over 5,900 new Japanese businesses (Harada 2003).
- **Access to start-up capital.** Having access to financial capital has also been correlated to success in starting a new business. In one study, young men's own financial assets exerted a statistically significant, but modest effect on the transition to self-employment, while the capital of their parents exerted a large influence (Dunn and Holtz-Eakin 2000). A study of the Vermont Micro Business Development Program (Schmidt and Kolodinsky 2006) found that access to capital was a significant predictor of improved personal well-being, which was correlated with higher levels of success including business starts, increased income, and job creation.
- **Other factors.** Non-experimental research suggests that our target population of dislocated workers faced challenges that may differ from those of other aspiring business owners. Job displacement has been associated with declines in workers' physical and psychological well-being (Brand 2015), factors that may justify a more tailored and individualized approach to training and assistance. With regard to factors correlated to success, prior experience working in a managerial role can also increase the likelihood of success as an entrepreneur (Lee and Tsang 2001). Psychological and personality factors also have been correlated to both entry into and success in self-employment. Some studies have demonstrated that risk-taking is key to entrepreneurial success (Stevenson and Gumpert 1985; Caliendo et al. 2011; Nieb and Biermann 2014). Goal setting, social networking, emotional resilience, and work drive have also been correlated with business success among entrepreneurs (Owens et al. 2013). Research has also shown that possession of the "big five" personality traits (that is, openness to new experiences, conscientiousness, extraversion, agreeableness, and neuroticism) can be an important predictor of entrepreneurial success (Caliendo et al. 2011). An individual's family situation is another factor that can predict self-employment entry and success. Several studies have documented that children of self-employed people are more likely to be self-employed themselves (Hout and Rosen 2000; Hout 1984, 1988; Lentz and Laband 1990; Fairlie and Meyer 1996; Dunn and Holtz-Eakin 1996). Research also suggests that small business owners benefit from tangible and emotional support when family members assist in business operations (Brüderl and Preisendörfer 1998; Anderson et al. 2005).

II. PROGRAM DESIGN

The SET pilot program differed from prior self-employment programs funded by DOL in that it aimed to offer timely, sustained, and customized business development supports to a population of unemployed or underemployed workers. Below we describe each of the elements of the SET program model in more detail.

Restricting eligibility. SET targeted dislocated workers who proposed to develop businesses in their fields of expertise. The U.S. Department of Labor’s Employment and Training Administration funded this pilot program to see if self-employment was a viable reemployment strategy for dislocated workers as defined under the federal Workforce Investment Act (WIA) of 1998; eligibility was therefore restricted to individuals who met the definition of dislocated workers under WIA. Building on findings from prior research suggesting that aspiring business owners who have substantive knowledge about the product or service that they plan to offer are more likely to succeed (see Box A.1), SET further restricted eligibility to individuals who proposed a business in an area in which they had either content expertise or relevant practical experience. This expertise could be based on their professional experience, an informal hobby from which they had been able to earn money, or training. The program was available in four metropolitan sites in the United States.

Providing timely access to free one-on-one case management, training, and technical assistance. Participant flow through the program was designed to facilitate rapid processing of applications, speedy engagement, and ongoing support from a designated self-employment advisor for each program participant.

- **Systematic and rapid processing of applications.** SET applications were submitted online and uploaded to a processing database overnight. They were then reviewed within two business days by site liaisons on the Mathematica SET study team, who assessed whether applicants met the program’s eligibility criteria, including whether they proposed legal, ethical, and moral business ideas that drew on their fields of expertise, and had residential addresses that fell in the study’s catchment area. (Cases that were ambiguous or needed further review took longer to process.) The study team randomly assigned eligible study members to the treatment and control groups and then assigned treatment group members to receive services from a local microenterprise service provider. Treatment group members (“SET participants”) were typically assigned to the provider closest to their place of residence that had capacity to accept new SET participants at the time. Applicants were notified of the application decision immediately by email, and also sent a hard copy assignment letter within a week.
- **Case management from experienced business development consultants.** SET participants were assigned to experienced and carefully vetted microenterprise service providers. These providers were tasked with providing business development assistance that was (1) timely (providers were asked to engage SET participants promptly in the program), (2) sustained (follow-up and assistance was to be provided on at least a monthly basis for up to a full year),

and (3) customized (supports were to be tailored based on a careful assessment of the participant's business development needs and ongoing progress).

Service providers were asked to promptly schedule their assigned SET participants for an in-person intake meeting, to be held within two weeks of program acceptance, and also to assign them a SET advisor who would serve as the participants' main point of contact and be responsible for their progress through the program. In doing so, the SET advisor provided case management services to the SET participants. During the intake meeting, the SET advisors provided an overview of the services participants could receive; sought to understand their business ideas, stage of business development, and support needs; and worked with participants to devise a service plan of training and technical assistance. Subsequently, the SET advisors conducted monthly follow-up to assess progress and provide additional assistance. Every three months, the advisors were also asked to conduct in-person quarterly reassessments to re-evaluate participants' needs and make service plan adjustments as needed.

- **Free training and technical assistance on business development topics.** The SET advisors worked with staff at their organizations and other partner organizations to provide participants access to business development services that were customized to their needs. The providers were supposed to offer SET participants a rich array of business development trainings and technical assistance free of cost for up to one year. However, SET did not offer a standardized business development curriculum. Instead, the SET providers recommended training and technical assistance that matched each participant's needs based on their available offerings.

Further, the design of the SET program recognized that dislocated workers trying to start their own businesses could face important financial challenges and risks. Research indicates that access to capital or other resources that ease liquidity constraints can facilitate start-up success (see Box A.1). Yet, when designing the SET program from 2011–2012, we found that seed capital microgrants were not broadly available. For limited start-up needs, service providers were more likely to offer microloans, which we expected to be hard to access for dislocated workers. The SET program model incorporated two features to help participants navigate these pressures:

- **Access to \$1,000 in SET seed capital microgrants.** SET participants could receive up to \$1,000 in microgrant funding to cover business start-up expenses. In order to receive these microgrants, SET applicants had to register their business with a state or local entity, complete a satisfactory business plan with the assistance of their assigned provider; engage satisfactorily with the program, according to their SET advisor; and propose to use the microgrant for legitimate business start-up expenses (such as buying inventory, equipment, or software for the business; or investing in a website or marketing materials).
- **Access to work-search waivers (in selected sites).** In two of the four study sites, SET partnered with state UI offices to enable SET participants who were collecting UI benefits to access work-search waivers. These waivers allowed SET program participants to continue

receiving UI benefits while devoting their full-time and attention to starting their own business (instead of searching for work). In Portland, the waivers were offered by enrolling eligible SET participants into Oregon's SEA program. In Cleveland, the waivers were offered only to eligible SET participants, as Ohio does not have an SEA program. (See Chapter I, Box I.1 and Figure I.2 for more information about the SEA program.)

In addition, the providers had experience helping participants apply for additional sources of funding, through collaborative networks with microfinance and lending institutions. Hence, they could help SET participants access additional sources of capital, as appropriate.

III. SET IMPLEMENTATION STRATEGY

The SET implementation plans defined complementary but separate roles for our local partners and leveraged technology in important ways. The main partners involved in implementing the SET pilot program in each study site included state and local workforce staff, the study team, and service providers that specialized in microenterprise development.

- **Local workforce staff, state employment services staff, and UI staff all helped promote the SET program.** We partnered with these entities for outreach because they were among the first government agencies that dislocated workers interact with. In planning the exact role that these entities would play in the SET pilot program, Mathematica was cognizant of the need to minimize burden on these partners. Preliminary site research and site recruitment efforts alerted us to the fact that implementing SET would need to be minimally burdensome for the local partners. High unemployment combined with shrinking workforce budgets meant that workforce agencies had to serve many more clients with far fewer resources than in the past. We therefore decided to focus workforce partner efforts on outreach. Local workforce staff put up SET posters, distributed SET brochures, allowed applicants to use American Job Center (AJC) computer resource rooms while applying, and directed applicants with questions to the SET helpline and email. Depending on their capacity, state UI or employment services partners were tasked with conducting robocalls, email blasts, or mailings to promote the SET program. (In two sites (Cleveland and Portland), UI staff helped provide work-search waivers to SET participants.) In order to meet our enrollment targets, we intensified our recruitment efforts as the pilot progressed.
- **The SET study team supported local partners and conducted orientation and application processing.** Mathematica provided training, outreach materials, technical assistance, and modest financial support to local partners that conducted outreach. To minimize burden on the workforce partners, the study team designed and hosted an online orientation and application system, received and processed applications, determined eligibility, conducted randomization, and assigned SET participants to the service providers in each site. The online orientation and application procedures were adopted to allow applicants flexibility and convenience in where they accessed the orientation and application. It also allowed the study

team to share consistent information about the program across sites. Centralized eligibility determinations allowed for consistent screening criteria to be applied to applicants across sites and for similar cases to be handled in a similar fashion. The centralized assignment of SET participants to providers prevented bias during the assignment process.

- **Providers delivered intensive services to SET program participants.** Because of its emphasis on sustained and tailored support, the SET program model was expected to require substantial effort to deliver. Offering a true test of the model required partnering with high-capacity service providers whose staffing structure and overall service philosophies were well aligned with the SET program’s objectives. To recruit these providers, we also had to compensate them for the additional efforts required for SET implementation. The evaluation team carefully screened local providers and devoted substantial study resources to compensate them to deliver SET program services.
- **The study team provided careful oversight to promote fidelity to the SET program model.** The SET program model departed from the types of services typically offered by the partner providers because it entailed substantial follow-up and customization of the services delivered to individual customers. To ensure that the model was implemented as planned, the evaluation team documented program procedures in a detailed operational manual (Amin et al. 2013) and delivered training to provider staff. The study team also developed a uniform, participant tracking SET management information system (MIS) and trained all providers on its use. Providers were required to report on a monthly basis on referred participants’ engagement with the program, services received, and progress toward key business development milestones. Last, provider payments were partially tied to performance and timely provision of monitoring data on participants.

IV. SITE AND PARTNER SELECTION

The SET program model was implemented in four purposively selected sites using carefully vetted partner providers. The SET pilot program sought to test the model in high-demand and high-capacity sites. Selecting high-demand sites was critical because the study targeted a specific subset of individuals potentially interested in self-employment (that is, dislocated workers who were proposing businesses in their fields of expertise) and needed a large sample of eligible applicants to be able to detect impacts under the SET impact evaluation study. High-capacity sites were necessary because implementation of the SET model was expected to require substantial effort from providers and, to a lesser degree, workforce partners.

Mathematica and DOL worked together to identify states and local sites with sufficient demand to meet the study’s overall enrollment target as well as sufficient capacity of providers and a workforce system that would allow us to deliver a strong intervention. The following were the four selection criteria for the sites:

1. High unemployment rates (the selected sites had unemployment rates between 6-9 percent at the time of the study)
2. A dislocated worker population with diverse industry experience (for external validity and to ensure that SET applicants proposed businesses in a variety of sectors and would not crowd each other out)
3. A strong network of state and local workforce partners that were enthusiastic about participating in the pilot program
4. A strong presence of high-capacity microenterprise service providers

Based on Internet research, we identified six potential metropolitan areas. After exploratory calls with regional, state, and local DOL staff and site recruitment visits, we selected the following four metropolitan areas as the study sites: (1) Chicago, Illinois (city of Chicago and Cook County); (2) Cleveland, Ohio (Cuyahoga and Lorain counties); (3) Los Angeles (LA), California (LA City and LA County); and (4) Portland, Oregon (Washington and Multnomah counties). In these sites, we entered into memoranda of agreement with 3 state-level employment services/UI departments, 6 local workforce investment boards, and 11 service providers.

To ensure a solid test of the SET model, exceptionally strong microenterprise service providers were recruited to implement the program. Providers were identified and prescreened through internet research about organizational characteristics and site visits. Those that seemed promising were invited to submit written applications in response to a detailed request for proposals. We carefully reviewed the submitted applications, asked for follow-up clarifications, rated providers, and selected the top candidates from each study site. (See Box A.2 for details on how provider applications were evaluated.) Ten providers in the four sites were judged to have submitted strong proposals and were invited to serve as partner providers. One organization with strong capacity did not submit a proposal but was recruited to participate by the study team, in order to accommodate the high level of demand for SET program services that we anticipated in that site.

Eight of the selected providers received Small Business Administration funding, either as Small Business Development Centers (SBDCs) or Women's Business Centers (WBCs). The other three providers were community-based organizations (CBOs), or nonprofits that received most of their funding from nonfederal sources. As noted in the GATE I final evaluation report, SBDCs and CBOs differed in several fundamental ways (Benus et al. 2009). SBDCs generally supported economic development, while CBOs tended to focus on workforce development and helping people become self-sufficient. Our discussions with staff at both SBDCs and CBOs, including several organizations that did not serve as partner providers, suggested that the two types of organizations also served different clientele. For example, compared to CBOs, SBDCs tended to serve clients who were further along in starting or planning their businesses. Among our partner providers, most organizations expected their clients to be past the start-up phase before providing intensive one-on-one technical assistance.

Box A.2. Evaluation process for SET provider applications

Provider applications to implement the SET program were evaluated on 15 sub-items along three domains. Members of the study team used a 4-point scale (0 = no response; 1 = poor; 2 = satisfactory; 3 = exceptional) to assign a score for each sub-item. All sub-items were weighted equally. Applications were evaluated along the following three domains:

1. **Infrastructure.** The provider's track record in offering a wide range of self-employment supports and serving clients in the early stages of establishing a business.
 2. **Understanding.** The provider's demonstrated understanding of the SET model and capacity for implementing SET.
 3. **Staffing.** The provider's proposed staffing plan to serve 50 to 300 new SET participants over the course of the project implementation (in addition to its existing customer base).
-

V. UNDERLYING ASSUMPTIONS FOR PROGRAM DESIGN AND LOGIC MODEL

As noted, the SET program and implementation strategy were carefully designed based on three types of research efforts. We began with background research on the experimental and non-experimental literature on self-employment and entrepreneurship (summarized in Table A.1 and Box A.1). Next, we reviewed the practitioner literature on microenterprise program operations and best practices, microenterprise curricula, and popular books that provided guidance on starting a business. Finally, we consulted with a mix of workforce staff, microenterprise service provider staff, and experts on microenterprise services.

Based on these efforts, we developed a logic model for SET (presented in Figure A.1) and designed the SET program model and implementation procedures. The key assumptions underlying the SET logic model and the SET program design can be summarized as follows:

Assumption 1: Dislocated workers may be suitable candidates for self-employment but have unique needs that differ from typical entrepreneurs. Dislocated workers pursuing self-employment may face challenges (and needs) that differ from those of other aspiring entrepreneurs typically served by microenterprise service providers. Job displacement has been associated with declines in workers' physical and psychological well-being—including, heightened anxiety and loss of self-esteem, self-confidence, and sense of purpose (Brand 2015). This suggested that dislocated workers who are pursuing self-employment could benefit from sustained one-on-one assistance, encouragement, and support to help them persist in these efforts.

Study team discussions with practitioners at microenterprise service providers during program development suggested that, while dislocated workers may have industry- or skill-specific expertise, they may lack knowledge or experience in the broader range of topics (financial planning, marketing, human resource management, and taxation) required for running a business. Trying to master all these topics at the same time could be especially overwhelming for individuals also grappling with the

shock of job loss. This implied that adopting a customized approach in which dislocated workers received training and assistance on topics of immediate relevance to their business venture and stage of business development might be beneficial. A 2003 study recommended that domestic microenterprise service programs offer long-term, on-call advice instead of all-encompassing classes because small businesses face risks and challenges that are too diverse to identify up front (Schriener and Woller 2003).

Finally, dislocated workers often face significant challenges with finances, both on the personal and business development fronts. As of October 2011, the unemployment rate in the United States was 9 percent.¹ By May 2012, over a half million Americans had exhausted their extended UI benefits (U.S. Department of Labor 2012). Our preliminary discussions with microenterprise service providers serving unemployed workers suggested that these individuals were struggling to make even relatively modest investments in their businesses. Furthermore, some of these customers had poor credit that made it difficult for them to qualify for loans.

Despite these challenges, we assumed that dislocated workers could benefit from support for self-employment—especially for those who were interested in pursuing businesses in their fields of expertise. This assumption was based on findings from previous demonstration projects (see Table A.1). Findings from the Washington SEED and Massachusetts MEP projects that targeted UI claimants were generally positive (Benus et al. 1995). In Massachusetts, the MEP increased the propensity to enter self-employment during the evaluation period by 12 percentage points, while in Washington the SEED program increased self-employment rates by 22 percentage points. Unlike the SEED program, the MEP also increased overall earnings by more than 50 percent, although these higher earnings were largely due to wage and salary jobs rather than self-employment.² Non-experimental research, summarized in Box A.1, and feedback from microenterprise service providers suggested that entrepreneurs who set up businesses in their fields of expertise were more likely to succeed. We hoped to amplify the impacts seen in the Washington SEED and Massachusetts MEP projects, (described at the beginning of this appendix) by targeting only those dislocated workers who were able to articulate a connection between their business idea and their prior experience.

¹ This statistic is based on data maintained by the Bureau of Labor Statistics. It is available at <http://data.bls.gov/timeseries/lms14000000>.

² By contrast, the more broadly targeted GATE I had far more modest short-term and long-term impacts. Propensity to enter self-employment was 3 percent higher among program group members at 18 months compared to 9 months. There were no impacts on likelihood of owning a business or on total employment rate five years after random assignment, while there were negative impacts on total earnings during the first six months after random assignment. There were no statistically significant impacts at any other time during the five-year evaluation (Benus et al. 2009).

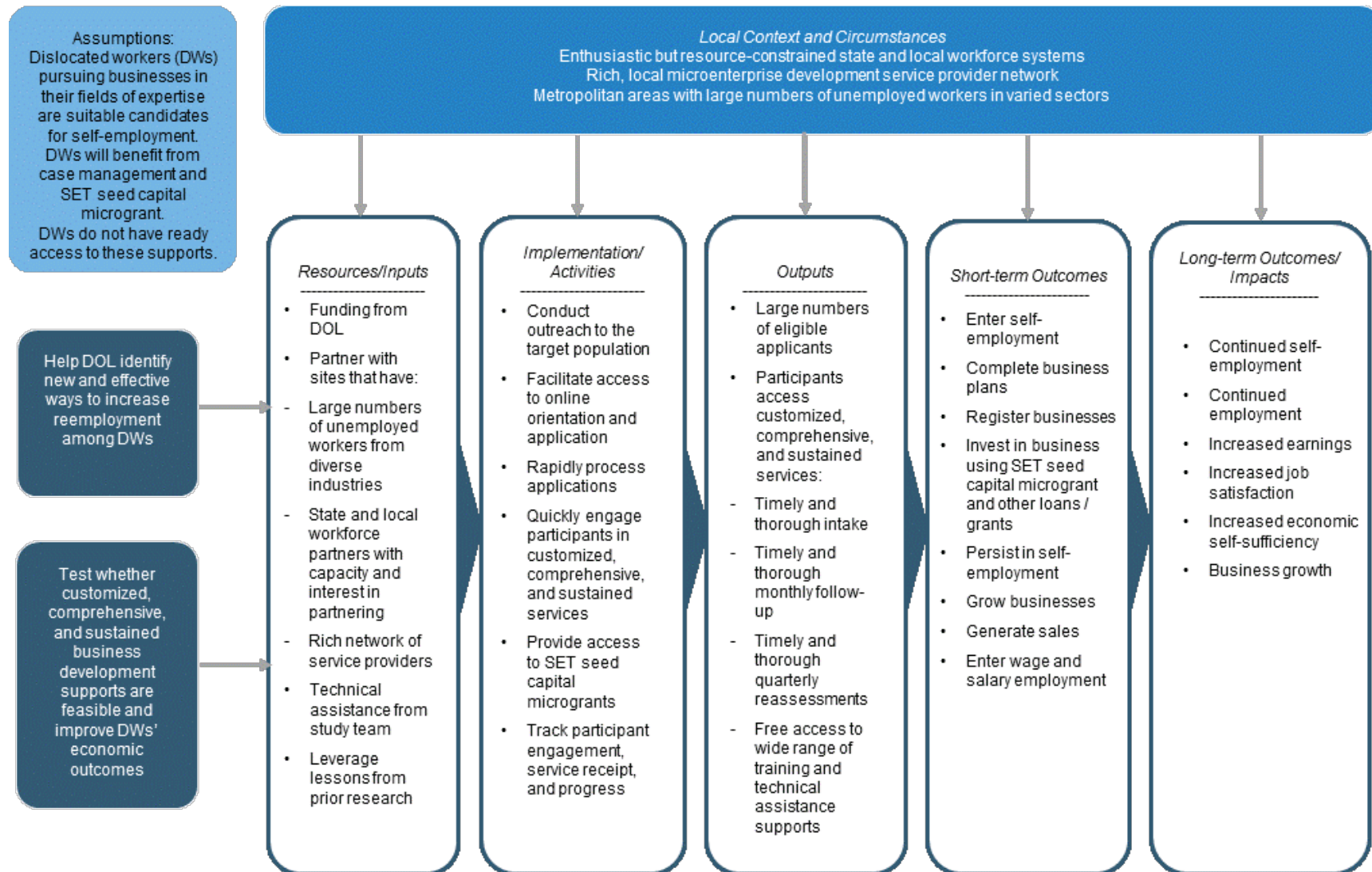
Assumption 2: The type of intensive business development services (case management and microgrant availability) that may benefit dislocated workers are not readily available.

When designing the SET pilot program, we found that the existing self-employment infrastructure (including SBDCs, Women’s Business Centers, and other microenterprise service providers) did not typically provide customized, comprehensive, and sustained support to nascent entrepreneurs. More than 4 in 10 of the 366 organizations responding to the 2010 U.S. Microenterprise Census reported providing fewer than 9 hours of services per participant. Seven in 10 reported providing fewer than 20 hours per participant, while fewer than 20 percent of these organizations reported offering case management (Edgcomb and Girardo 2012).

Discussions with microenterprise service provider staff to inform program development indicated that, while they offered group trainings and workshops either for free or at low cost to nascent entrepreneurs, they tended to ration one-on-one services to no more than a few hours per client due to staffing and resource constraints. More intensive support was typically reserved for business start-ups that had made more progress in establishing themselves and had already reached key milestones (that is, completed a business plan or begun operations).

Even though studies on business start-ups have found that start-up subsidies seem to improve self-employment likelihood by helping overcome liquidity constraints (see Box A.1) and contribute to increased program participation (see Table A.1), our exploratory research suggested that start-up financing was hard to find. Research on what microenterprise service providers typically offered and discussions with service providers indicated that unemployed workers seeking self-employment were likely to face considerable constraints in accessing start-up funds (commonly referred to as seed capital). When designing SET, the study team found that microgrants were not readily available. In 2012, the average microloan was about \$16,000 (Aspen Institute 2012). Furthermore, most microloans required a good credit history and collateral, which dislocated workers do not necessarily have. Hence, the SET study team and DOL decided to test the benefits of providing customized, comprehensive, and sustained support free of charge, all well as SET seed capital microgrants.

Figure A.1. SET logic model



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APPENDIX B:
SET EVALUATION DESIGN

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This appendix summarizes the SET pilot program evaluation design. In Part I, we provide an overview of both components—the implementation and impact study—and then in Part II, we delve into the methods for the implementation study in more detail.

I. OVERALL DESIGN OF THE SET EVALUATION STUDY

Our evaluation of the SET pilot program examines the viability and effectiveness of the SET program model. Its main objective is to increase our knowledge of what worked and did not work in supporting dislocated workers who were interested in starting their own businesses as a means of reemployment. The key research questions that the study focuses on and the data sources that address them are summarized in Table B.1. To address these questions, the study design includes two components: (1) an implementation analysis and (2) an impact analysis. Below we provide a brief description of each evaluation component. A detailed description of the study objectives, study design, data collection, and analysis methods for the implementation study is provided in Part II.

Table B.1. Research questions for the evaluation, by data source

Research question	Data sources					
	Application package	MIS/Program participation records	Follow-up survey	Partner interviews	Case study interviews	Provider survey
Did SET work?						
1. What is the net impact of the SET program on participants' overall employment status and total earnings, as well as self-employment?	X		X			
2. Did it attract participants?		X	X	X	X	X
3. Did participants find SET useful?		X	X	X	X	X
4. Did local providers think it is worth offering?				X		X
5. What were key contextual features of SET study sites that may have influenced program implementation and outcomes?				X	X	X
For whom did SET work and where did it work?						
6. What types of participants did the program attract and which ones benefitted from the program?	X	X	X	X	X	X

Research question	Data sources					
	Application package	MIS/Program participation records	Follow-up survey	Partner interviews	Case study interviews	Provider survey
7. Did program outcomes and impacts vary by participants' demographic and socioeconomic characteristics, work experiences, or participant attitudes?	X	X	X	X	X	X
8. What were the key contextual features of SET study sites or providers that may have influenced program outcomes and impacts?				X	X	
How did SET work in practice?						
9. How well did key features of the program work?		X	X	X	X	X
10. How well did innovative outreach and intake procedures work in practice?		X	X	X	X	
11. Were providers able to deliver intensive and timely support with fidelity to the program model?		X		X		X
12. Did the program successfully offer SET (seed capital microgrants and work-search waivers)?		X	X	X	X	X
13. How did SET participants and providers perceive and engage with key elements of the SET program?		X	X	X	X	X
What did it take to attract and serve SET participants?						
14. What are lessons learned regarding partnerships and supports needed to implement this pilot program at scale?				X		X
15. What are considerations for replicating or scaling this program, or both?				X	X	X

Note: These data will be supplemented with contextual and programmatic data collected in the course of site research and recruitment, program monitoring, and technical assistance provision.

SET implementation analysis. The implementation analysis examined the viability of the SET model and service provider and participant experiences with the program. It drew on data from six main sources: (1) site visits to and telephone interviews with staff from workforce and UI agencies and provider organizations in each of the four study sites (the last round of telephone interviews was preceded by a short written survey, which was completed by a staff member from 9 of our 11 provider partners); (2) case study interviews with 36 purposively selected program group members, who engaged with the program to varying degrees; (3) baseline application data on the treatment and control groups; (4) MIS data on participants' receipt of services and seed capital microgrants and progress toward key milestones (as reported by the assigned providers); (5) MIS data on access and completion rates for the orientation and application; and (6) contextual and programmatic data collected in the course of site research and recruitment, program monitoring, and technical assistance provision. Primary data collection for the implementation study was conducted between July 2013 and January 2017. MIS data was pulled from a SharePoint site that served as an online participant tracking system, which was used by service providers to track assignment, intake, and ongoing service provision. At the time of data analysis for this report, some providers were still in the process of entering data because they were still serving a limited number of SET participants. For this report, MIS data were pulled on January 23, 2017; the last dated entry was from January 6, 2017.

SET impact evaluation. The impact evaluation will use a rigorous random assignment design to assess participant impacts measured approximately 18 months after randomization. The main objective of the impact evaluation is to measure the impact of SET program participation on labor market outcomes.

Across the four study sites, 1,981 eligible applicants to the program were randomly assigned to a program group or a control group with equal probability. The program group (N = 991) had access to the full suite of SET program supports.³ The control group (N = 990) did not have access to SET services during the program period and were not eligible for the SET seed capital microgrants. Both groups had access to other existing services available in the community.

The study will examine impacts by comparing differences between the treatment and control groups on a range of outcomes. Primary outcome measures will be (1) self-employment status, (2) employment in any kind of job, and (3) total earnings. Intermediate business development outcomes include gaining access to start-up capital, registering a business, and completing a business plan. Additional secondary outcomes to be considered include participation in intensive business

³ Inadvertently, one member of the treatment group was not referred to a service provider, meaning that the service provider was not notified about the assignment. The treatment group member was notified of selection into the program, but did not follow up with Mathematica or the assigned provider to receive SET program services. This study member was removed from the implementation fidelity analyses of the SET service model, but will be included in the impact analyses.

development counseling services, receipt of training and technical assistance, labor market experiences, and job satisfaction.

The impact evaluation will draw on two main data sources: (1) an application form administered at baseline to program applicants and (2) a follow-up survey administered 18 months after random assignment. Both instruments were administered as online surveys. Primary data collection began in July 2013 (program launch) and will continue through June 2017 (approximately 18 months after the last cohort of SET applicants is admitted in January 2016).

II. DETAILED DESIGN OF THE SET IMPLEMENTATION STUDY

This report contains the final findings from the implementation evaluation of the SET pilot program. The objectives, design, data collection methods, and analysis methods for the final implementation study are detailed in this section.

A. Study objectives

The implementation study's main objectives were to (1) explore the baseline characteristics of the SET study population and explore their experiences with the labor market and with self-employment; (2) describe interim measures of progress with regard to outreach, intake, business development milestones, and usefulness of the SET model; (3) describe adherence to the SET program model by providers and providers' experiences with the program; and (4) document key lessons in making the SET pilot program operational. To provide a full picture of program implementation, the study included data on all four sites where the program was implemented and on all partner organizations involved in program delivery (data sources are listed in the previous section). Information on key domains of interest from different data sources and across different types of respondents was pooled to conduct the analysis.

B. Data collection approach

To learn about SET implementation, we conducted site visits, telephone interviews, and case study interviews, and leveraged data from four additional data collection efforts. The steps taken to prepare for and execute these data collection activities and the measures taken to assure data quality are described below.

Site visit and telephone interview data

As a critical element of the implementation study, the site visits and telephone interviews helped us (1) contextualize the study within its four sites; (2) examine workforce and UI partner performance and experiences with conducting outreach to the target market; (3) understand providers' performance and experience with delivering services as planned as well as their fidelity to the program model; and (4) identify partners' actions and performance in implementing different aspects of the

SET model, as well as their perceptions of program design and SET participants as compared to their usual services and clientele. These site visits and telephone interviews helped us determine the viability of offering the intensive services specified as part of the SET pilot program and also enabled us to capture variation in implementation across the study sites and over time.

Timing and sites. At least one round of site visits was conducted at all four program sites, in addition to one round of telephone interviews. We partnered with two or three service providers in each site; one or two Local Workforce Investment Board (LWIB) and state employment agency partners; and, in two sites, three or four specific, high-traffic AJCs. During our two-day visits to each site, we visited all providers, the local workforce board and state employment agency partners, and one or two high-traffic AJCs. The site visits were conducted within 12 to 18 months of program launch and provided insights on partner experiences as well as opportunities for troubleshooting to improve SET implementation. During the site visits, Mathematica interviewed (1) the SET liaison at the LWIB and staff at participating AJCs and (2) the microenterprise service provider director, SET advisors, and administrative staff at providers. Site visitors also conducted two sets of observations. First, they observed operations at AJCs to see how and where the SET program was promoted and (if possible) observed AJC customers accessing the SET orientation in AJC resource rooms. Second, they observed SET participants receiving services (if feasible) at provider sites and audited participant files.

Within three months of the end of the program implementation period, the SET study team also conducted 60- to 90-minute telephone interviews with 9 of the 11 providers and two workforce and state agency partners. The purpose of these interviews was to understand partner insights on SET implementation at the conclusion of the program and to capture lessons learned.

Protocol development. The study team developed semi-structured interview protocols for site visitors and telephone interviewers to conduct interviews (and observations) and record their findings (see Amin et al. 2017 for the generic data collection instruments). To vet the site visit protocols, a senior researcher and a site liaison piloted the protocols during the first site visit to confirm that the interviews took the expected amount of time, the organization of the protocols was appropriate, and the wording of specific questions was understood by respondents as intended. After the pilot site visit, the senior researcher refined the protocols and then trained the three site visitors who were responsible for conducting the remaining visits. The design of the telephone interview protocol was based on the refined site visit protocol. A senior researcher observed the first telephone interview to ensure that the protocol was delivered appropriately; no refinements were necessary.

Preceding the telephone interviews, one staff member from each of the 9 provider organizations also completed a brief written survey about their experiences with implementing the program. This survey was used to tailor the questions asked during the telephone interview (see Amin et al. 2017).

Analysis preparation. After each visit, site visitors recorded their detailed notes for internal use during the analysis; a notetaker accompanied the telephone interviewer and typed notes in real time. (Interviews were also recorded, with the respondents' permission.) Notes followed the topics in the

protocol. A single senior study team member reviewed all completed site visit notes to ensure consistency and completeness across sites. For cross-site analysis, the site notes were coded by keywords using Atlas.ti, a qualitative coding software. Such coding allowed the study team to pool site findings on a single topic across sites in order to synthesize implementation findings. (Further information on the analysis of qualitative data is presented in part C of this section.)

Case study interviews

The purpose of the case study interviews was to provide richer portraits of SET participants' experiences and to yield useful insights into the correlates of success and failure in self-employment as well as the flow of participants through the SET program. The case study interviews complemented the MIS and interview data provided by implementation partners.

Respondent selection. The study team interviewed a purposively selected sample of 36 SET treatment group members. These respondents were selected from all four study sites and all service providers, based on the proportion of study group members assigned to each provider. Respondents were selected by the study team using data from the MIS. The purposively selected sample consisted of an even split between two groups: (1) participants who made progress toward developing their businesses (that is, they completed business plans, registered their businesses, and received seed capital microgrants) and (2) participants who engaged in the program for at least five months but then left without achieving key milestones or receiving microgrants. Additional traits were considered in selecting the sample, including business type and gender, to ensure a mix of represented characteristics. These same factors were used to select replacements when participants declined to be interviewed.

Protocol development, training, and conducting interviews. The study team developed a semi-structured protocol to guide interviews with case study respondents (see Amin et al. 2017). The study team also developed a template for interviewers to assemble participant profiles based on baseline application and MIS data, before the interview. These profiles were used to customize the interview protocol to allow for more targeted questions. For example, information on service receipt from the program participation records was used to better target questions about SET or other services accessed by the respondent. Senior study team members piloted the protocol and template by preparing for and conducting the first two interviews. They then refined the interview materials as necessary and trained four interviewers in their use.

Interviewers contacted target respondents to request their participation in the study. Respondents were assured that their responses would be anonymous. Each interview lasted about one hour and was conducted over the phone at a time that was convenient to the respondent.

As noted, case study respondents were purposively selected and consisted of a very small sample. This helped ensure that we captured a diversity of program and outcome experiences, and could delve deeply into them. However, because we did not interview a random sample of participants, participant

responses were not necessarily representative of the average SET program participant. To encourage case study respondents to share their frank assessments without fear of losing future access to self-employment supports, we made it clear that all responses would be kept confidential from our providers, workforce and UI partners, and DOL.

Baseline application data

The implementation study also drew on baseline data, which applicants provided electronically when applying to the program, to describe the demographic, socioeconomic, and employment characteristics of our study participants, as well as their motivations in applying to the SET program (see Amin et al. 2017). To ensure high data quality, the study team pilot tested the baseline questions and refined them to make sure that their wording was clear and unambiguous. Within the application, instructions and illustrative examples were also provided. In addition, the study team provided guidance to applicants through a public helpline, through which applicants could submit questions via email or voicemail and receive responses from study team members. To encourage people to complete the application process and be available for random assignment, very few questions required that a response be provided before submission of the application; this led to a trade-off in that data on certain items might be missing or incomplete. Across all characteristics studied from the baseline survey, 96.5 percent of participants had complete data. When individuals were missing data for any given characteristic, that individual was excluded from all summary statistics related to that characteristic.

The study team also conducted quality assessment analyses at two points in time during program intake to ensure that this approach resulted in data of sufficient quality for later analysis. During these analyses, the study team checked to make sure data was within the expected ranges, questions were being answered by the appropriate respondents, and data were being stored correctly. We also checked for outliers or other unexpected patterns in the data.

MIS data on program participation and progress

The implementation study also drew on MIS data submitted by service providers to analyze participant engagement with the program and describe progress toward business development milestones (see Amin et al. 2017 for these participant tracking forms). Service providers were required to submit data on a monthly basis on the frequency and type of follow-up that each participant received; the type, frequency, and dosage of services and supports received; and participant progress on key business development milestones. To help ensure timely provision of services and high data quality, part of the payment to providers was benchmarked to service provision and updating of MIS records (see Chapter VI for an explanation of the provider payment scheme).

Program data on orientation and application access and completion rates

The implementation study drew on programmatic data collected during program outreach and intake to assess target population responses to the offer of the SET application. In order to assess outreach

and intake for the program, the study collected data on the number of people who (1) signed up to view the application, (2) completed the orientation and indicated interest in receiving the application, (3) completed the application, and (4) met SET eligibility screens. Using these statistics, the study determined the rates at which the target population accessed and completed the SET online orientation and application and was approved as being eligible.

Contextual and programmatic data collected through implementation monitoring

As discussed in Appendix A, the study team conducted careful research to identify sites and providers. During program implementation, site liaisons assigned to the four SET operating sites conducted ongoing monitoring and monthly check-ins over telephone and email with all site partners to learn about implementation and provide oversight. When conducting monthly check-in calls with provider staff (typically the assigned SET advisor at each provider organization), site liaisons asked about three randomly selected participants engaged in the program. Providers were asked to summarize information about these participants' engagement in the program, milestones they had achieved, and any challenges foreseen in developing their businesses. This query was intended to monitor fidelity to the model and providers' familiarity with their participants. This monitoring data informed the analysis approach and interpretation of findings for this implementation study.

C. Data analysis

We analyzed the data collected in aggregate, by site, and by respondent type. This approach allowed us to cross-reference information across respondents and identify patterns. To analyze qualitative data, trained study team members used Atlas.ti to identify themes in the data and catalog their prevalence. Baseline data from the application forms; quantitative information from the MIS completed by provider staff; and data on orientation and application access and completion rates were also used for the descriptive analyses.

Site visit and telephone interview data. Data collected through site visits, telephone interviews, and monthly check-in calls were used to (1) describe interim measures of progress with regard to outreach, intake, business development milestones, and usefulness of the SET model; (2) explore the degree to which participants engaged with the SET program; (3) describe adherence to the SET program model by providers and providers' experiences with the program; and (4) document key lessons in making the SET pilot program operational.

Using the interview data (coded in Atlas.ti using keywords) together with selected data drawn from the MIS, the analysis team conducted a cross-site analysis to describe common elements and differences across sites in the implementation of the SET program. To fulfill the objectives of the implementation study, the team specifically examined (1) the characteristics of the SET study population at program entry and during implementation and their experiences with the labor market and self-employment; (2) perceptions of the usefulness of the SET program model, including outreach,

intake, services received, and progress made toward business establishment; (3) adherence to the SET program model by providers; and (4) key lessons in making the SET pilot program operational.

Case study data. In-depth case-study interviews with selected SET program participants were analyzed to provide illustrative information on participants' experiences with the program. Study team staff coded interviews thematically and by type of respondent by using a coding scheme that included receipt of key types of assistance; common issues faced in starting a business (such as difficulties obtaining start-up capital); and perceptions of program procedures, including the orientation, application form, and case management model.

Baseline application form. We used data from the application form to describe the characteristics of the overall study population. Simple descriptive statistics were calculated to provide an overview of participants' demographic and socioeconomic characteristics, their prior work experiences, factors that may facilitate or impede their self-employment efforts, and their motivations for pursuing self-employment. These statistics were analyzed in the aggregate and by site. The significance of between-group differences for each characteristic was assessed using t-tests that allowed for unequal variances across groups.

To determine the industry in which participants proposed their businesses, we categorized business ideas proposed in the baseline application forms by using the North American Industry Classification System (NAICS) industry codes provided by the U.S. Census Bureau (<http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012>).⁴ A member of the study team coded the ideas by reading each idea and applying the two-digit NAICS code that best represented the largest business sector under which the idea could be categorized. A senior member of the study team provided a quality control check four times during this process to determine whether the codes were correctly applied, and to re-categorize codes as necessary. The two study team members discussed any codes for which they did not have consensus before the senior study team member made a final decision. When faced with business ideas that were particularly difficult to categorize, the study team members used the NAICS website search function or Google Search to ascertain a correct code. Study team members also used Google Translate to translate several business ideas submitted in Spanish. Finally, when a business idea described multiple pursuits that were different from each other, the study team members coded the first idea presented in the description.

MIS data on program participation and progress. Data on service receipt was used to describe the patterns of self-employment assistance receipt and progress made in the program group. Data on the number of services received as well as service intensity (that is, how many hours of service and over what time period) informed program engagement, as did data on whether the business development milestones of business registration and business plan completion were reached. Data on

⁴ We used 2012, instead of 2017, NAICS codes, to align with analysis conducted in 2015 for a related report on the SET pilot (Anderson et al. 2016).

the receipt of seed capital microgrants were used to describe the types of business establishment investments made by SET program participants.

Further, data on service receipt was used to measure implementation fidelity of the case management model. To assess the providers' adherence to the SET case management model, we began by examining service receipt data from the SET MIS to determine whether the providers delivered the key case management interactions in a timely and sustained way. We used four indicators to assess this. We examined SET MIS data for case management interventions delivered as of January 23, 2017. To assess fidelity, we examined whether (1) intake happened, (2) intake was timely, (3) monthly follow-up with participants occurred on time, and (4) quarterly reassessments with participants were conducted when due. For each indicator, we assigned a ranking of low, medium, or high fidelity (scored 1, 2, or 3). Definitions, scoring criteria, and the sample included for the indicators are identified in Table B.2. We also assigned to providers aggregate fidelity scores for delivering timely and sustained interactions, by totaling the fidelity scores for the four indicators mentioned above (weighting each one equally). The total maximum score a provider could attain was 12. Our methodology aligned with that used to examine fidelity on an interim sample of SET participants (Amin et al. 2016). Between the analysis completed for the interim sample and the current report, influx in program application rates resulted in delays in assignment to providers for some individuals. For those individuals, to calculate whether intake was timely, we used the date that we communicated their provider assignment to them as opposed to the initial date that their application was randomized as eligible and assigned to the treatment group.

Table B.2. Indicators of timely delivery of case management interactions

Indicator	Definition	Scoring criteria	Sample
Intake conducted	Proportion of assigned participants who are brought in for intake	1: $\leq 74\%$ of participants 2: 75–89% of participants 3: $\geq 90\%$ of participants	Assigned participants (n = 990) ^a
Intake is timely	Average number of days between participant assignment and intake for those for whom intake is conducted	1: ≥ 22 days 2: 17–21 days 3: ≤ 16 days	Participants with intake (n = 838)
Monthly follow-up conducted when due	Proportion of participants who get at least 2/3 of the monthly follow-up required when they are due	1: $\leq 49\%$ of participants 2: 50–67% of participants 3: $\geq 68\%$ of participants	Participants with intake and in the program for 30+ days (n = 823)
Quarterly reassessments are conducted	Proportion of participants who get all the quarterly reassessments they are due to have given their tenure of engagement	1: $\leq 49\%$ of participants 2: 50–67% of participants 3: $\geq 68\%$ of participants	Participants with intake and in the program for 90+ days (n = 786)

Source: MIS data entered as of January 23, 2017.

^a The sample includes 990 participants who were randomly assigned to providers. Because of a program error, one individual from the treatment group was never assigned to a provider and is not included in analyses relying on MIS participant tracking data.

We observed several limitations of the MIS data. First, providers varied in how they entered data on services provided to participants, as well as interactions with those participants. In practice, we have reason to believe that provider staff did not always log each interaction or instance of service provision

separately due to the time and effort involved in data entry; several providers appeared to bundle multiple service contacts into single entries. Second, there was also wide variation in how providers logged service provision, making it difficult to clean entered data for better interpretation.⁵ Third, service provision was still ongoing in Chicago for 51 participants at the time these data were pulled for analysis. For all these reasons, data on frequency of participant engagement with providers may be downward biased.

Program data on orientation and application access and completion rates. Programmatic data on the number of people who (1) signed up to view the application, (2) completed the orientation and indicated interest in receiving the application, (3) completed the application, and (4) met SET eligibility screens were analyzed in Excel. These data were used to obtain general descriptive statistics that summarized orientation and application completion rates in each site, and tracked how they varied over time and in conjunction with targeted publicity efforts, overall and by site.

Contextual data. Quantitative data (statistics on unemployment rates, distribution of unemployment across industries); qualitative data (interviews and site visits with regional, state, and local workforce staff and providers and proposals submitted by providers); and a literature search were used to describe the sites and contexts in which the program was implemented. These data and research were used to contextualize implementation findings and shed additional light on any differences in engagement across sites.

⁵ In cases where service providers entered insufficient data, study team members provided technical assistance to help them improve quality of data being entered. However, variation was still observed. Chapter VI includes additional details about technical assistance to providers.

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APPENDIX C:

FINDINGS FROM ANALYSIS OF SET BASELINE APPLICATION DATA

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This appendix contains detailed tables summarizing the baseline characteristics of SET study participants and their perceptions of barriers to reemployment.

I. DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS OF SET STUDY PARTICIPANTS

We analyzed baseline application data submitted by SET study participants to better understand their demographic and socioeconomic characteristics, the resources they can draw on and the challenges they face in their quest for reemployment, and their past managerial and self-employment experiences.

Table C.1. SET study participants' demographic and socioeconomic characteristics (percentage reporting unless otherwise stated)

Characteristics	Treatment					Control	Full sample
	Chicago	Cleveland	Los Angeles	Portland	All sites		
Demographics							
Age (average)	44.5	44.2	47.8	46.1	45.2	45.3	45.2
Age							
18–24	2.1	0.9	1.0	1.1	1.4	0.6	1.0
25–34	19.2	21.2	12.6	17.3	18.5	17.9	18.2
35–44	29.0	28.8	28.2	29.0	28.9	29.8	29.3
45–54	29.7	28.8	29.1	26.8	28.7	27.3	28.0
55–64	17.7	19.5	22.3	20.2	19.3	20.7	20.0
65 and older	2.3	0.9	6.8	5.5	3.3	3.7	3.5
Gender							
Female	63.6	60.2	55.3	51.1	58.5	59.6	59.1
Male	36.4	39.8	44.7	48.9	41.5	40.4	40.9
Race							
Black	59.9	49.8	43.0	11.5	42.6	39.1	40.9
White	24.5	37.6	8.0	72.5	39.0	41.2	40.1
Asian	2.6	0.5	12.0	1.5	2.8	2.2	2.5
Native American	0.0	0.0	0.0	0.4	0.1	0.2	0.2
Native Hawaiian	0.0	0.0	1.0	0.7	0.3	0.2	0.3
Mixed	4.7	7.2	13.0	7.1	6.8	7.3	7.0
Hispanic or Latino	8.3	5.0	23.0	6.3	8.5	9.8	9.2
Marital status							
Married, civil union, or living with unmarried partner	30.5	40.3	28.2	55.1	39.3	39.0	39.1
Never married	40.8	33.6	37.9	22.8	33.9	34.5	34.2
Separated, divorced, or widowed	28.7	26.1	34.0	22.1	26.8	26.5	26.7
Had children							
No	61.5	51.3	61.2	69.1	61.3	59.8	60.5
Yes	38.5	48.7	38.8	30.9	38.7	40.2	39.5

Characteristics	Treatment					Control	Full sample
	Chicago	Cleveland	Los Angeles	Portland	All sites		
Income (category)							
Less than \$10,000	21.3	11.9	26.2	3.7	14.8	14.5	14.7
\$10,000–\$24,999	31.6	31.9	31.1	16.2	27.4	24.9	26.2
\$25,000–\$49,999	22.4	24.3	20.4	27.2	23.9	27.7	25.8
\$50,000–\$74,999	10.8	11.5	8.7	20.6	13.4	15.8	14.6
\$75,000 or greater	13.9	20.4	13.6	32.4	20.4	17.1	18.7
English is primary language	98.2	99.1	94.2	100.0	98.5	98.4	98.4
Education and employment							
Education Level							
High school/GED or less	6.2	8.0	7.8	8.5	7.4	7.1	7.2
Two-year degree or some college but no degree	34.6	40.3	40.8	29.8	35.2	36.3	35.7
Bachelor's degree	30.3	31.4	26.2	32.4	30.7	32.1	31.4
Advanced degree	29.0	20.4	25.2	29.4	26.7	24.5	25.6
Citizen of the United States							
Yes	99.0	100.0	92.2	97.8	98.2	98.1	98.1
No	1.0	0.0	7.8	2.2	1.8	1.9	1.9
Employment status at time of application							
Employed (self-employed, wage/salary job, or both)	31.5	28.8	30.1	30.5	30.5	30.3	30.4
Not employed (including unemployed, retired, school, other)	68.5	71.2	69.9	69.5	69.5	69.7	69.6
Received unemployment benefits in 2 years before applying	75.6	84.5	64.1	82.7	78.4	78.8	78.6
Exhausted unemployment benefits	82.1	73.8	86.7	71.4	79.8	81.5	80.7
Unemployed for 27 weeks or longer (among those salary/wage employed)	51.2	38.0	51.2	18.5	38.7	40.5	39.6
Military status (active, reserves, national guard or veteran) ^a	6.5	6.9	7.8	10.4	8.3	6.9	7.6
Years worked in most recent job (excluding self-employment)							
No previous job	0.8	0.4	3.9	0.7	1.0	0.4	0.7
0–6 months	30.8	24.8	20.4	20.2	25.4	27.3	26.4
7–18 months	25.1	22.6	22.3	26.5	24.6	22.9	23.8
More than 18 months	43.3	52.2	53.4	52.6	48.9	49.4	49.2
Reason last job ended							
Laid off	48.6	60.6	52.3	63.1	55.9	56.8	56.4
Business or plant closed	3.0	9.3	4.7	3.2	4.7	4.6	4.6
Temporary or seasonal work ended	19.8	12.4	18.6	8.4	14.7	15.2	14.9
Fired	16.1	11.9	11.6	20.9	16.1	15.5	15.8

Characteristics	Treatment					Control	Full sample
	Chicago	Cleveland	Los Angeles	Portland	All sites		
Retired	0.3	0.5	0.0	0.0	0.2	0.2	0.2
Quit to start working for self	3.3	1.0	1.2	0.8	1.9	1.3	1.6
Quit for family reasons	2.1	0.5	4.7	2.0	2.0	1.3	1.6
Other	6.7	3.6	7.0	1.6	4.6	5.1	4.8
Resources and challenges							
Financial resources							
Home owner	31.0	42.0	13.6	43.8	35.2	36.5	35.8
Annual household income (average dollars)	38,563	59,522	38,755	75,715	53,575	47,446	50,511
Cash on hand in checking or savings account, or mutual funds (average dollars)	12,039	13,138	30,975	26,688	18,285	16,045	17,164
Have credit card	54.4	56.6	59.2	75.0	61.0	62.1	61.6
Total credit limit (average dollars)	7,402	9,315	17,088	13,815	10,609	9,729	10,168
Business administration resources							
Access to a computer at home	95.6	94.7	93.1	97.8	95.7	94.8	95.3
Internet access at home, at work, or on a mobile device	98.2	97.8	95.0	99.6	98.2	98.8	98.5
Access to reliable transportation	94.9	96.0	94.2	98.2	96.0	95.6	95.8
Experienced bankruptcy in past 7 years	13.6	16.4	3.9	5.5	11.0	11.7	11.4
Had any financial hardship at application (includes bankruptcy in past 7 years, court-ordered creditor payment, delinquent on debt payment by 60 days or more)	41.5	45.6	35.9	23.5	36.9	35.2	36.0
Health challenges							
Had a disability or serious health problem	5.2	3.1	14.7	4.0	5.4	5.6	5.5
Household member (not participant) has disability or serious health problem	2.3	2.2	2.9	1.1	2.0	3.0	2.5
Caregiver challenges could impede self-employment	3.3	4.0	3.9	2.9	3.4	4.4	3.9
Access to health insurance through a source other than own employer (family member's employer, public health source, or other)	95.8	94.0	97.2	94.3	95.2	93.7	94.4
Health status self-rated as very good or excellent at application	79.5	76.0	65.0	85.7	78.9	78.0	78.5

Characteristics	Treatment					Control	Full sample
	Chicago	Cleveland	Los Angeles	Portland	All sites		
Entrepreneurial and managerial experience							
Recent self-employment experience							
Self-employed at application	18.5	15.9	23.3	25.0	20.2	22.1	21.2
Self-employed in past 5 years, but not at time of application	20.0	12.4	10.7	12.5	15.2	16.2	15.7
Not self-employed in last 5 years	61.5	71.7	66.0	62.5	64.6	61.7	63.1
Worked in a managerial capacity (in a wage/salary job)	78.5	80.1	80.6	83.8	80.5	77.6	79.1
Average months of managerial experience for those with history in managerial capacity	63.9	66.9	78.3	81.4	70.9	69.6	70.2
Characteristics of business, among those who were self-employed at application							
Business was registered	50.7	58.3	66.7	70.6	60.8	62.2	61.5
Business was incorporated	45.8	44.4	20.8	52.9	45.0	47.9	46.5
Business had paid employees	11.4	5.6	12.5	8.8	9.6	11.0	10.3
Business had positive net earnings	58.3	44.4	33.3	52.9	51.0	58.0	54.5
Participation in self-employment services, among those who were self-employed at application or in the 5 years before applying							
In-person classes, workshops, or seminars	43.3	46.9	71.4	48.0	48.1	45.6	46.9
Mentoring from an experienced business owner	39.3	45.3	40.0	35.3	39.3	42.0	40.6
Online courses	33.6	40.6	45.7	36.3	36.9	40.4	38.6
Peer advice or networking group	37.3	42.2	34.3	36.3	37.6	38.8	38.2
Individualized business development support	20.0	25.0	31.4	21.6	22.5	20.6	21.5
Self-employment advisor or counselor	11.3	12.5	31.4	17.6	15.4	17.7	16.5
Other self-employment services	18.0	15.6	25.7	22.5	19.7	17.7	18.7
Sought any self-employment services in the past	67.3	73.4	80.0	71.6	70.9	73.6	72.3
Close friend or relative was self-employed	75.1	79.1	71.3	88.2	79.2	77.7	78.5
Sample sizes	390	226	103	272	991	990	1,981

Source: SET baseline application data.

Note: The number of applicants included 1,981 individuals, of which 990 were assigned to the control group and 991 were assigned to the treatment group. Additional tests not shown found that treatment and control group members were equivalent on baseline characteristics. Significance testing indicated no statistically significant differences at the 0.05 level. Some columns do not sum to 100 percent due to rounding.

^a Only a subset of participants completed the military status question as part of the dislocated worker form at intake. GED = general equivalency diploma.

II. SET STUDY PARTICIPANTS' PERCEPTIONS OF BARRIERS TO REEMPLOYMENT

This section draws on responses from a partial sample of study participants to an open-ended question on the automated dislocated worker screener that asked SET participants about their prospects for reemployment (see Box III.1 in Chapter 3 of the main report for a summary discussion of results). During the first 18 months of SET intake, applicants were posed the following question: "Within three months from today, how likely do you think you are to find another job that matches your skills and experience in your usual line of work?" Applicants could choose from among four response options (very likely, somewhat likely, somewhat unlikely and very unlikely) and then had to answer an open ended question to explain the reasons for their response. (This question was later eliminated as we sought to streamline the dislocated worker screener).

We analyzed the reasons cited by those study participants who answered "very unlikely" to this question. Of the 1,044 applicants who answered this question, 396 applicants responded that they were "very unlikely" to find another job that matched their skills and experience in their usual line of work (38 percent). Responses to this question took the form of written responses that varied in length from one word to multiple sentences. A deductive method for coding responses was utilized. A member of the study team reviewed all responses to identify recurrent themes and then constructed a list of coding phrases that aligned with the themes observed in the responses. Then, another study team member read and coded all responses using the framework of thematic phrases. As a quality control check, the work was reviewed by a senior study team member to confirm appropriate coding. Responses could be coded with more than one theme phrase, if the response reflected multiple themes. A full list of response theme phrases is listed below, along with the number of responses that reflected the theme. Below is an example of a response and the assigned theme phrases:

Response: "The local tech industry has few job opportunities at my level of experience, and hiring skews toward younger male candidates."

For this example, the themes that would be applied are: (1) Age and (2) lack of jobs that match skills in region.

Table C.2. Response categories for Box III.1 on participant perspectives on barriers to reemployment

Response theme phrases	Number of responses
Lack of jobs that match skills	96
Unknown, applying repeatedly without success	54
Depressed job market	38
Age	36
Expected pay given experience is too high	35
Lack skills or education for desired job	30
Lack of jobs that match skills in region	27
Self-employed	25
Poor work history/experience	21
Takes long time to find job that matches skills	18
Pay in field has been cut significantly	15
Seasonal or part-time industry	13
Only want temporary or part-time workers in field	7
Injury or other medical reason	6
Criminal record	5
Switching to new field	5
Lack of funding in nonprofits	3
More opportunity in current position	3
Currently a student	2
Lack support for self-employment	2
Noncompete agreements	2
No connections	1
Previous employer's negative reputation	1

Source: SET baseline application data.

III. PERSONALITY TRAITS OF SET STUDY PARTICIPANTS

In the baseline application, we also asked applicants whether they possessed several characteristics related to pursuing and achieving success in self-employment and entrepreneurship. Table C.3 presents findings related to personality traits of SET study participants.

Table C.3. Personality traits of SET study participants

Characteristics	Treatment				All sites	Control	Full sample
	Chicago	Cleveland	Los Angeles	Portland			
Locus of control (%)^a							
Internal							
Low	37.2	41.2	29.1	32.8	36.1	38.7	37.4
Medium	19.0	15.5	34.0	26.9	21.9	20.8	21.4
High	43.8	43.4	36.9	40.2	42.0	40.4	41.2
External							
Low	37.2	37.2	27.5	25.1	32.9	32.5	32.7
Medium	33.1	31.4	27.5	36.9	33.2	33.8	33.5
High	29.7	31.4	45.1	38.0	34.0	33.8	33.9
Personality traits (%)^b							
Extroversion							
Low	32.1	22.6	36.9	28.7	29.5	30.9	30.2
Medium	33.3	41.6	30.1	37.5	36.0	37.6	36.8
High	34.6	35.8	33.0	33.8	34.5	31.4	33.0
Agreeableness							
Low	35.1	34.5	47.1	37.1	36.8	33.4	35.1
High	64.9	65.5	52.9	62.9	63.2	66.6	64.9
Conscientious							
Low	43.1	40.7	41.7	48.2	43.8	39.3	41.6
High	56.9	59.3	58.3	51.8	56.2	60.7	58.4
Emotionally stable							
Low	39.8	35.4	41.7	44.5	40.3	39.4	39.9
High	60.2	64.6	58.3	55.5	59.7	60.6	60.1
Open to experiences							
Low	27.4	25.7	31.1	30.9	28.4	28.8	28.6
High	72.6	74.3	68.9	69.1	71.6	71.2	71.4
Attitude toward financial risk							
Not willing to take risk	4.4	2.2	5.9	1.8	3.3	3.4	3.3
Will take limited risk	10.3	8.8	9.8	10.3	9.9	10.1	10.0
Will take average risk	44.3	46.9	49.0	55.9	48.6	50.5	49.5
Will take above average risk	41.0	42.0	35.3	32.0	38.2	36.1	37.1
Motivation for pursuing self-employment (percentage reporting)							
Primary income	69.9	76.5	66.0	79.0	73.5	75.8	74.6
Secondary income	10.8	9.3	9.7	8.5	9.7	8.2	8.9
Better within health limitations	3.9	1.3	10.7	3.7	3.9	4.4	4.2

Characteristics	Treatment				All sites	Control	Full sample
	Chicago	Cleveland	Los Angeles	Portland			
More freedom for family responsibilities	14.7	18.1	12.6	17.6	16.1	15.8	15.9
Desired job not available in job market	23.9	29.2	27.2	23.5	25.4	24.4	24.9
Bring new idea to marketplace	43.4	33.6	47.6	40.4	40.8	44.1	42.5
Advance in profession	48.1	49.1	40.8	50.0	48.1	43.3	45.7
Be own boss	61.2	61.5	60.2	64.3	62.0	61.6	61.8
Other	12.6	9.7	6.8	9.2	10.4	10.6	10.5
Number of sample respondents	390	226	103	272	991	990	1,981

Source: SET baseline application data.

Note: Additional tests not shown found that treatment and control group members were equivalent on baseline characteristics. Some columns do not sum to 100 percent due to rounding.

^a Locus of control was measured by using the Brief Locus of Control Scale (Lumpkin 1985). Participants responded to three items related to internal locus of control on a 1-to-5 Likert scale, where 1 = strongly disagree, 3 = neither agree nor disagree, and 5 = strongly agree. Scores for the items were averaged. The three categories shown here are defined based on the distribution of responses among SET study participants: strong = score of 4.5 or higher, moderate = score greater than 3.0 and less than 4.5, low or neutral = score of 3.0 or lower.

^b Personality traits were measured using the Ten Item Personality Inventory (Gosling et al. 2003). Participants responded to 10 items (2 for each trait, one of which asks about the trait directly and the other of which asks about the reverse of the trait) on a 1-to-7 Likert scale, where 1 = strongly disagree, 4 = neither agree nor disagree, and 7 = strongly agree. Scores for each pair of items were averaged. The three categories shown here are defined based on the distribution of responses among SET study participants: strong = score of 6.5 or higher, moderate = score of 4.5 to 6.0, low or neutral = score of 4.0 or lower.

IV. COMPARISON OF SET STUDY SAMPLE WITH OTHER SELF-EMPLOYED POPULATIONS

This section compares the characteristics of SET study participants (both treatment and control members) with those in other previous pilot programs funded by DOL, as well as those responding to the Aspen Institute’s microenterprise service provider database, Microtracker, and characteristics of the entire U.S. self-employed population (see Table C.4). Comparisons between the SET population, those responding to Aspen Institute’s survey, and the U.S. self-employed population are found in Chapter III. The following are major findings from comparing SET’s study population to those of previous pilot projects:

- **Age.** SET study participants were between three and five years older than those of the Massachusetts Enterprise Program (MEP), the Self-Employment and Enterprise Development (SEED) demonstration, and the Project Growing America Through Entrepreneurship (GATE I) pilot program.

- **Gender.** Almost twice the proportion of SET participants were female (59 percent) compared to the MEP and SEED trials. This proportion was also much higher than the proportion of women served by GATE I or GATE II, which ranged between 44 and 51 percent.
- **Race.** SET's diverse makeup (with 60 percent being nonwhite) was in contrast to the majority white participants of previous pilot programs (ranging from roughly 90 percent for the MEP and SEED trials to between 51 to 60 percent for the GATE trials).
- **Employment status.** The proportion of unemployed at the time of application (70 percent) is similar to those served under GATE II, 87 percent of whom were unemployed in North Carolina and 76 percent of whom were unemployed in Virginia. However, the proportion was much lower in GATE I (45 percent), which did not specifically target unemployed workers.
- **Income.** As with SET participants, income levels of GATE I participants mimicked the overall economic environment at the GATE sites. At the time of the GATE I study, median household incomes within the targeted counties varied from \$38,500 in the city of Pittsburgh, Pennsylvania, to \$51,700 in Hennepin County, Minnesota. These incomes are comparable to the distribution of GATE applicants' household incomes (Bellotti et al. 2006). For participants in GATE II's North Carolina site, the distribution also skewed toward lower-income levels, with nearly half reporting a household income below \$25,000 and 20 percent reporting a household income of \$50,000 or more. However, Virginia participants in GATE II demonstrated higher household incomes, with about one-quarter reporting a household income of at least \$75,000 (Davis et al. 2013).
- **Education.** As with SET participants (57 percent of whom had a bachelor's degree or higher), GATE applicants were slightly more educated than the general population. At all GATE sites, fewer than 5 percent of applicants had completed less than 12 years of education—by contrast, the proportion of residents in the target counties without a high school diploma was 29 percent overall (Bellotti et al. 2006). Similarly, in GATE II, in Virginia, 59 percent of participants had college degrees, while in North Carolina (which targeted a more rural population), one-fifth had a bachelor's degree or higher, and one-third had some college education or an associate's degree (Davis et al. 2013).
- **Past experience.** Participants in GATE I and II reported having between five to seven years of managerial experience when applying to those pilots. Similarly, SET participants reported having six years of managerial experience on average.
- **Prior self-employment experience.** In GATE I and II, while similar proportions of the study participants were self-employed at time of application in two instances (16 percent in SET compared to 19 percent in GATE I and 17 percent in Virginia under GATE II), up to double this proportion had past self-employment experience (ranging from 31 to 44 percent, compared to 21 percent for SET), suggesting that these previous pilots may have attracted more people with entrepreneurial backgrounds.

Table C.4. Selected characteristics of participants in the SET study, other self-employment or entrepreneurship programs, and the self-employed population (percentages, unless otherwise specified)

Characteristic	SET	MEP	SEED	GATE I	GATE II—North Carolina	GATE II—Virginia	Aspen Microentrepreneur ^d	Rate of U.S. self-employed by characteristic
Female	58.5	33	31	46	44	51	45.8	7.5 female 12.3 male
Age (average)	45.2	41	40	42	n.a.	n.a.	NA	NA
Age (categories used in GATE II and BLS report)								
16–35	19.9	n.a.	n.a.	n.a.	24	NA	NA	18.0
35–44	28.9	n.a.	n.a.	n.a.	29	NA	NA	10.1
45–54	28.7	n.a.	n.a.	n.a.	29	50	NA	11.8
55 or older	22.6	n.a.	n.a.	n.a.	18	50	NA	38.8
Race and ethnicity^a								
Black or African American	42.6	8	3	31	33	41	14.5	5.2
White	39.0	89	91	57	60	51	29.4	10.9
Other race	9.9	1	4	11	7	8	5.5	9.6
Hispanic	8.5	2	2	5	n.a.	n.a.	40.1	8.3
Reports disability	5.4	NA	NA	NA	NA	NA	1.1	NA
Education								
High school diploma, GED, or less	7.4	NA	NA	26	55	11	NA	23.3
Two-year degree or some college but no degree	35.7	n.a.	n.a.	37	24	30	NA	19.9
Bachelor's degree or higher ^b	57.4	45	29	37	21	59	NA	49.1
Unemployed at application	69.5	n.a.	n.a.	45	87	76	NA	NA
Self-employed at application	20.2	n.a.	n.a.	19	6	17	NA	NA
Prior self-employment experience ^c	15.2	n.a.	n.a.	37	31	44	NA	NA
Management experience (in months)	70.9	n.a.	n.a.	63	62	85	NA	NA

Characteristic	SET	MEP	SEED	GATE I	GATE II— North Carolina	GATE II— Virginia	Aspen Microentrepreneur ^d	Rate of U.S. self-employed by characteristic
At poverty by HUD standard	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	58.9	NA
Annual household income								
Less than \$10,000	14.9	n.a.	n.a.	11	28	17	NA	NA
\$10,000–\$24,999	27.5	n.a.	n.a.	24	20	13	NA	NA
\$25,000–\$49,999	23.9	n.a.	n.a.	33	31	31	NA	NA
\$50,000–\$74,999	13.4	n.a.	n.a.	18	13	14	NA	NA
\$75,000 or greater	20.4	n.a.	n.a.	14	7	24	NA	NA
Sample size	990	1,204	1,507	4,201	1,175	435	17,416	NA

Source: SET baseline application data, including only those assigned to treatment.

Note: U.S. Bureau of Labor and Statistics 2016 report on the 15 million people self-employed in 2015, including 10.1 percent of the U.S. workforce. Statistics reported here include both incorporated and unincorporated businesses (Hipple and Hammond 2016). Some columns do not sum to 100 percent due to rounding.

^aThe GATE I implementation report defined white as white and non-Hispanic and black as black, non-Hispanic. The totals in this column may not sum to 100 due to discrepancies in categorical definitions; for example, some people may be double-counted as white or black and Hispanic.

^bMEP and SEED participants were categorized as college graduates or noncollege graduates.

^cSET participants were asked about self-employment experience in the last five years; GATE I and GATE II participants were asked about self-employment experience at any point in their lives.

^dAspen field data from 2014 microenterprise service provider database, Microtracker. Programs included provide microloans, business development services, or both, directly to microentrepreneurs. Note that the race categories used by Microtracker included a multi-racial category, which is not captured in the table.

GATE = Growing America Through Entrepreneurship program; GED = general equivalency diploma; MEP = Massachusetts Enterprise Program; NA = not available; n.a. = not applicable; SEED = Self-Employment Enterprise Demonstration; SET = Self-Employment Training pilot project.

V. SET STUDY PARTICIPANT BUSINESS IDEAS

The table below details the industries in which SET study participants proposed business.

Table C.5. SET study participant business ideas, by industry (percentages)

Business industries (including NAICS codes)	Treatment					Control	BLS U.S. self- employment rates	
	Chicago	Cleveland	Los Angeles	Portland	All sites			
11 Agriculture, forestry, fishing and hunting	0.3	0.4	0	0	0.2	0.3	Management, business, and financial operations	18.6
23 Construction	3.3	4.0	1.0	4.1	3.4	3.0	Professional and related	7.6
31 Manufacturing—food, textile, apparel	1.3	1.3	4.9	3.0	2.1	3.1	Service	9.1
32 Manufacturing—wood, paper, chemical	2.3	1.3	0	4.1	2.3	1.8	Sales and related	13.6
33 Manufacturing—metal, machinery, household	3.1	1.8	3.9	4.4	3.2	2.2	Office and administrative support	2.8
42 Wholesale trade	0.5	0	1.9	0.7	0.6	1.0	Farming, fishing, and forestry	5.3
44 Retail trade— auto, household, food	4.4	5.3	5.8	2.6	4.2	3.6	Construction and extraction	19.2
45 Retail trade— books, sports, hobby	2.6	3.1	5.8	2.2	2.9	3.3	Installation, maintenance, and repair	8.9
48 Transportation/warehousing	2.6	1.3	1.0	1.5	1.8	3.5	Production	4.0
49 Transportation/warehousing	0.3	0.0	0.0	0.4	0.2	0.2	Transportation and material moving	6.6
51 Information	5.4	4.4	10.7	5.2	5.7	5.0		
52 Finance and insurance	2.1	1.8	2.9	1.5	1.9	2.1		
53 Real estate and rental and leasing	4.1	1.8	1.9	4.1	3.3	3.2		
54 Professional, scientific, and technical services	28.2	28.3	20.4	34.0	29.0	27.4		
56 Administrative and support and waste management/remediation services	7.2	9.3	6.8	6.3	7.4	7.0		
61 Educational services	8.5	5.3	10.7	3.0	6.5	8.9		
62 Health care and social assistance	7.2	9.7	12.6	6.3	8.1	8.0		
71 Arts, entertainment, and recreation	2.6	1.8	3.9	1.5	2.2	3.2		

Business industries (including NAICS codes)	Treatment					Control	BLS U.S. self- employment rates
	Chicago	Cleveland	Los Angeles	Portland	All sites		
72 Accommodation and food services	4.9	8.4	3.9	6.6	6.1	5.8	
81 Other services (except public administration)	9.5	10.6	1.9	8.7	8.8	7.3	
Number of sample respondents	390	226	103	272	991	990	

Source: SET baseline application data.

Note: For a description of how business industries were determined, see Appendix B, Part II. U.S. self-employment rates were derived from “Self-Employment in the United States,” available at <https://www.bls.gov/spotlight/2016/self-employment-in-the-united-states/home.htm>. Some columns do not sum to 100 percent due to rounding.

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APPENDIX D:
FINDINGS FROM ANALYSIS OF MIS DATA

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This appendix includes detailed data tables from analyses of MIS data (and in a few instances baseline application data) conducted for Chapters IV and V, which presented findings on participant outcomes and fidelity to the SET program model.

I. DETAILED TABLES FOR CHAPTER IV (HOW WELL DID SET OPERATE?)

In this section, further details on participant engagement with the SET program are found in Tables D.1 to D.7.

Table D.1. Number of cumulative eligible applications to SET per year, by site

Site	2013 (July–December)	2014	2015	2016 (January only)
Chicago	30	229	673	775
Cleveland	86	256	428	456
Los Angeles	5	76	191	206
Portland	81	372	538	544
All	202	933	1,830	1,981

Source: SET baseline survey data through January 31, 2016.

Table D.2. Service receipt among all assigned participants, including intake and services beyond intake

	Total number of participants assigned	Participants who completed intake (percentage of total assignments)	Participants who received any services beyond intake (percentage of those with intake)
Provider			
A	87	75.6	100.0
B	33	75.9	100.0
C	270	78.1	88.2
D	127	84.6	95.8
E	61	86.8	98.2
F	38	90.0	97.0
G	12	90.9	100.0
H	91	91.2	96.4
I	84	91.2	97.6
J	130	91.7	92.3
K	57	93.4	100.0
Site			
Chicago	390	78.7	72.3
Cleveland	226	82.3	79.6
Los Angeles	103	91.3	88.3
Portland	271	92.6	88.6
All	990	84.6	80.1

Source: SET MIS data through January 23, 2017.

Note: The sample for SET includes 990 participants who were assigned to providers. Because of a program error, one individual from the treatment group was never assigned to a provider and is not included in analyses relying on MIS participant tracking data. The sample includes 51 participants who were still active as of the

data pull date (January 23, 2017), which may cause the number of those who participated in services beyond intake to be slightly underrepresented.

Table D.3. Duration of SET participant engagement by month, based on last participant contact

	Duration of participation in months (percentage of assigned SET participants)													
	<1	1	2	3	4	5	6	7	8	9	10	11	12	>12
Provider														
A	3.0	3.0	6.1	7.6	9.1	6.1	6.1	6.1	6.1	1.5	10.6	6.1	10.6	18.2
B	6.7	3.3	13.3	6.7	3.3	6.7	0.0	3.3	0.0	0.0	0.0	0.0	10.0	46.7
C	14.2	6.2	6.6	3.3	3.8	3.3	4.7	9.0	2.8	4.7	9.0	13.3	18.0	0.9
D	22.9	11.5	4.2	7.3	13.5	9.4	5.2	7.3	8.3	0.0	1.0	4.2	2.1	3.1
E	3.5	1.8	3.5	5.3	3.5	3.5	5.3	1.8	7.0	17.5	17.5	19.3	5.3	5.3
F	3.0	0.0	0.0	0.0	3.0	6.1	0.0	0.0	15.2	3.0	18.2	3.0	12.1	36.4
G	0.0	0.0	0.0	18.2	0.0	0.0	9.1	9.1	9.1	0.0	18.2	9.1	27.3	0.0
H	6.0	6.0	6.0	4.8	7.2	3.6	6.0	7.2	8.4	4.8	8.4	9.6	8.4	13.3
I	2.4	0.0	4.9	3.7	2.4	4.9	6.1	9.8	7.3	12.2	11.0	18.3	7.3	9.8
J	11.1	3.4	1.7	4.3	2.6	6.0	4.3	6.0	6.0	6.8	5.1	35.0	7.7	0.0
K	0.0	1.9	0.0	0.0	1.9	1.9	7.7	1.9	1.9	5.8	15.4	44.2	15.4	1.9
Site														
Chicago	11.1	5.2	7.2	4.6	4.9	4.2	4.6	7.8	3.3	3.6	8.5	10.4	15.6	9.1
Cleveland	13.4	6.5	3.2	5.4	8.6	7.0	4.3	4.3	9.1	5.9	9.1	8.6	4.8	9.7
Los Angeles	5.3	5.3	5.3	6.4	6.4	3.2	6.4	7.4	8.5	4.3	9.6	9.6	10.6	11.7
Portland	6.0	2.0	2.4	3.2	2.4	4.8	5.6	6.4	5.6	8.4	9.2	31.5	9.2	3.6
All	9.4	4.5	4.7	4.5	5.1	4.9	5.0	6.6	5.8	5.6	8.9	16.2	10.7	7.9

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to examine duration of program participation. Duration of participant engagement by month was calculated as the time between participants' date of program intake and the date of last successful contact. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the number of months active in the program to be slightly underrepresented.

Table D.4. Intensity of participant engagement with the SET program

	Number of successful contacts		Number of successful contacts (per month)		Number of hours in services	
	Per capita average	Per capita median	Per capita average	Per capita median	Per capita average	Per capita median
Provider						
A	13.1	9.5	1.4	1.5	1.3	0.0
B	6.4	5.0	0.6	0.5	3.9	2.3
C	8.8	8.0	0.8	0.8	16.7	14.5
D	6.0	5.0	0.8	0.8	1.6	0.0
E	9.0	10.0	0.8	0.8	14.7	5.0
F	6.3	6.0	0.6	0.5	23.7	11.4
G	11.8	11.0	1.0	1.0	9.9	7.0
H	6.5	6.0	0.8	0.5	25.8	25.0
I	9.5	10.0	0.9	0.9	16.3	19.5
J	7.6	9.0	0.8	0.9	21.7	9.3
K	12.8	14.0	1.1	1.2	10.9	9.8
Site						
Chicago	9.5	8.0	0.9	0.9	12.1	6.5
Cleveland	7.0	7.0	0.8	0.7	9.5	0.0
Los Angeles	7.1	6.0	0.8	0.6	23.9	25.0
Portland	9.3	10.0	0.9	0.9	17.7	11.3
All	8.6	8.0	0.9	0.8	14.5	7.9

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate intensity of participant engagement with the program. The number of successful contacts was calculated as the number of records that indicated a back-and-forth contact between a participant and his or her assigned service provider. The number of hours in services was calculated according to the time in services as recorded by provider staff in the SET MIS. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the number of successful contacts and hours in services to be slightly underrepresented.

Table D.5. Program milestones achieved among all assigned participants

	Total number of participants assigned	Participant business registration		Participant business plan completion	
		Percentage of all assigned participants	Percentage of those with intake	Percentage of all assigned participants	Percentage of those with intake
Provider					
A	87	23.6	25.8	23.6	42.4
B	33	19.5	40.0	32.2	33.3
C	270	10.0	12.8	21.9	28.0
D	127	33.9	31.3	39.2	31.3
E	61	44.7	59.6	47.4	59.6
F	38	55.4	51.5	54.6	54.5
G	12	36.4	72.7	30.3	81.8
H	91	44.0	48.2	68.1	74.7
I	84	66.7	50.0	63.2	37.8
J	130	66.7	61.5	75.0	60.7
K	57	55.7	73.1	55.7	69.2
Site					
Chicago	390	14.4	18.2	24.9	31.6
Cleveland	226	35.8	43.5	36.3	44.1
Los Angeles	103	46.6	51.1	68.9	75.5
Portland	271	55.7	60.2	50.9	55.0
All	990	33.9	40.1	39.2	46.3

Source: SET MIS data through January 23, 2017.

Note: All participants assigned to a provider (990 participants) were included in the analysis to calculate participant achievement of program milestones. Because of a program error, one individual from the treatment group was never assigned to a provider and is not included in analyses relying on MIS participant tracking data. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the number of milestones achieved to be slightly underrepresented.

Table D.6. Duration of SET participant engagement, based on last participant contact

	Days participating in SET (per participant)		Months participating in SET (per participant)		Duration of SET program participation (percentage of SET participants)			
	Average	Median	Average	Median	0–3 months	4–6 months	7–9 months	10–12 months
Provider								
A	239.7	252.0	7.6	8.0	19.7	21.2	13.6	45.5
B	248.5	365.0	8.0	12.0	30.0	10.0	3.3	56.7
C	214.7	231.0	6.8	7.0	30.3	11.8	16.6	41.2
D	135.5	129.0	4.1	4.0	45.8	28.1	15.6	10.4
E	262.8	299.0	8.3	9.0	14.0	12.3	26.3	47.4
F	305.3	342.0	9.9	11.0	3.0	9.1	18.2	69.7
G	269.2	315.0	8.5	10.0	18.2	9.1	18.2	54.5
H	230.3	256.0	7.3	8.0	22.9	16.9	20.5	39.8
I	265.9	286.0	8.4	9.0	11.0	13.4	29.3	46.3
J	243.8	288.0	7.7	9.0	20.5	12.8	18.8	47.9
K	310.2	334.0	9.9	11.0	1.9	11.5	9.6	76.9
Site								
Chicago	223.4	244.0	7.1	8.0	28.0	13.7	14.7	43.6
Cleveland	204.6	227.5	6.4	7.0	28.5	19.9	19.4	32.3
Los Angeles	234.8	262.0	7.4	8.0	22.3	16.0	20.2	41.5
Portland	264.8	310.0	8.4	10.0	13.5	12.7	20.3	53.4
All	232.9	267.0	7.4	8.0	23.2	15.0	18.0	43.8

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate average length of program participation. The duration of participant engagement was calculated as the time between participants' date of program intake and the date of last successful contact. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the average time active in the program to be slightly underrepresented.

Table D.7. Duration of SET participant assignment, based on program termination or completion date

	Days assigned to SET (per participant)		Months assigned to SET (per participant)		Duration of SET program assignment (percentage of SET participants)			
	Average	Median	Average	Median	0–3 months	4–6 months	7–9 months	10–12 months
Provider								
A	264.0	284.0	8.4	9.0	12.1	25.8	13.6	48.5
B	347.9	365.0	11.4	12.0	3.3	0.0	6.7	90.0
C	260.7	288.0	8.4	9.0	18.0	15.2	18.0	48.8
D	210.4	190.5	6.6	6.0	14.6	45.8	19.8	19.8
E	321.2	365.0	10.4	12.0	7.0	8.8	3.5	80.7
F	353.4	365.0	11.6	12.0	3.0	0.0	3.0	93.9
G	331.8	365.0	10.8	12.0	0.0	18.2	0.0	81.8
H	353.3	365.0	11.6	12.0	2.4	0.0	2.4	95.2
I	294.1	338.0	9.5	11.0	7.3	13.4	14.6	64.6
J	275.2	365.0	8.8	12.0	14.5	13.7	12.8	59.0
K	340.0	365.0	11.1	12.0	1.9	3.8	7.7	86.5
Site								
Chicago	269.9	344.0	8.7	11.0	15.3	16.0	16.0	52.8
Cleveland	269.7	326.0	8.6	10.0	10.2	26.3	11.8	51.6
Los Angeles	350.8	365.0	11.5	12.0	2.1	2.1	2.1	93.6
Portland	294.8	365.0	9.5	12.0	9.6	11.6	12.4	66.5
All	286.4	365.0	9.2	12.0	11.0	15.4	12.4	61.2

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate average length of program assignment. The duration of participant assignment was calculated as the time between participants' date of program intake and the date that they were either terminated or their program eligibility ended (12 months after date of program assignment). The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the average days and months assigned in the program to be slightly underrepresented. Some rows do not sum to 100 percent due to rounding.

II. DETAILED TABLES FOR CHAPTER V (SET IN-DEPTH: KEY FEATURES IN PRACTICE)

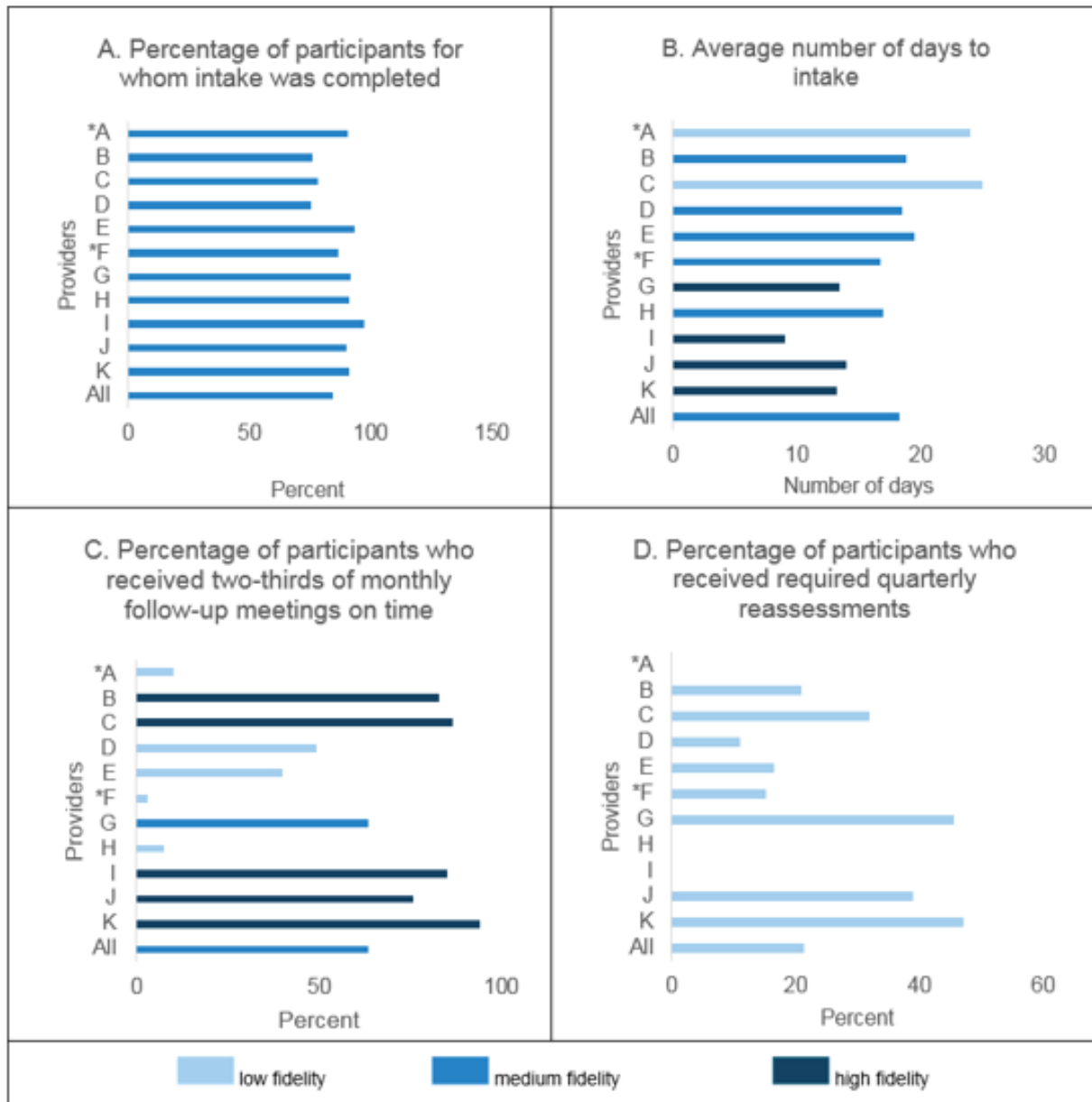
This section contains Tables D.8 to D.16 and Figure D.1, which provide detailed results of (1) fidelity ratings for the SET case management model, (2) engagement of SET program participants in program services, and (3) the provision of the seed capital microgrant.

Table D.8. Providers' fidelity in provision of timely, sustained case management

Provider	Participants for whom intake was completed		Average number of days to intake		Participants who received two-thirds of monthly follow-ups on time		Participants who received quarterly assessments		Overall fidelity score
	Percentage	Rating	Average days	Rating	Percentage	Rating	Percentage	Rating	Sum of ratings
		(1–3 scale)		(1–3 scale)		(1–3 scale)		(1–3 scale)	
A	90.9	3	24.0	1	10.0	1	0.0	1	8
B	75.9	2	18.9	2	83.1	3	21.0	1	6
C	78.1	2	25.0	1	86.6	3	31.9	1	7
D	75.6	2	18.5	2	49.5	1	11.0	1	6
E	93.4	3	19.5	2	40.0	1	16.4	1	7
F	86.8	2	16.8	2	3.0	1	15.2	1	6
G	91.7	3	13.5	3	63.6	2	45.5	1	9
H	91.2	3	17.0	2	7.3	1	0.0	1	7
I	97.6	3	9.1	3	85.2	3	0.0	1	10
J	90.0	3	14.0	3	75.7	3	38.8	1	10
K	91.2	3	13.3	3	94.1	3	47.1	1	10
All	84.6	2	18.3	2	63.4	2	21.2	1	

Note: All participants assigned to a provider (990 participants) were included in the analysis to calculate intake completion rates. The other measures were based on participants who attended a formal intake (838 participants). Because of a program error, one individual from the treatment group was never assigned to a provider and is not included in analyses relying on MIS participant tracking data. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause monthly follow-up and quarterly reassessment calculations to be slightly underrepresented. Low fidelity = a score of 1; medium fidelity = score of 2; and high fidelity = a score of 3. For the overall fidelity score, the ratings were summed. Low fidelity = aggregate score of 5 or less; medium fidelity = aggregate score of 6–10; and high fidelity = aggregate score of 11 or higher. See Appendix B, Part II for information about how scores were determined.

Figure D.1. Fidelity to timely and sustained case management interactions



Source: SET MIS data.

Note: We discontinued our relationship with providers marked with an asterisk (*) during implementation, due to their lack of fidelity to implementation of the case management model. If a bar is missing for a provider, that indicates that the score was equal to 0. For the specific percentages represented by the bars in the figure, refer to Table D.8.

Table D.9. Training received by assigned participants with intake

	N	Participants with classes or training indicated		Participants with training hours entered			Availability of data on training hours	
		Total number of participants	Percentage of those with intake	Number of participants	Average hours	Median hours	Participant level	Contact level ^a
Provider								
A	66	16	24.2	16	5.3	3.0	100.0	100.0
B	30	8	26.7	8	7.0	4.8	100.0	100.0
C	211	106	50.2	101	11.0	3.0	95.3	88.0
D	96	14	14.6	14	10.0	4.5	100.0	100.0
E	57	37	64.9	37	14.8	6.0	100.0	100.0
F	33	23	69.7	23d	16.6	16.5	100.0	100.0
G	11	10	90.9	10	7.8	4.0	100.0	100.0
H	83	65	78.3	63	33.2	25.0	96.9	94.9
I	82	67	81.7	67	17.5	18.0	100.0	84.7
J	117	15	12.8	15	44.4	9.0	100.0	100.0
K	52	52	100.0	52	9.1	8.9	100.0	99.6
Site								
Chicago	307	130	42.3	125	10.0	3.0	96.2	88.7
Cleveland	186	74	39.8	74	14.4	8.0	100.0	100.0
Los Angeles	94	75	79.8	73	29.7	25.0	97.3	96.2
Portland	251	134	53.4	134	17.3	15.3	100.0	96.5
All	838	413	49.3	406	16.7	11.0	98.3	94.1

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate participant engagement in training. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause participant engagement in training to be slightly underrepresented.

^a Contact level refers to the availability of data per entry in the MIS. Providers were required to log any instance of service provision for each participant as a separate event in the SET MIS. This could consist of provision of training; follow-ups; or technical assistance provided in person, on the phone, or over email. Any entry that recorded such an exchange was counted as a contact.

Table D.10. One-on-one or technical assistance received by assigned participants with intake

	N	Participants with one-on-one help or TA receipt indicated		Participants with TA hours entered			Availability of data on TA hours	
		Total number of participants	Percentage of those with intake	Number of participants	Average hours	Median hours	Participant level	Contact level ^a
Provider								
A	66	56	84.8	0	0.0	0.0	0.0	0.0
B	30	28	93.3	19	3.1	2.5	67.9	60.6
C	211	185	87.7	184	12.6	11.5	99.5	95.3
D	96	92	95.8	1	2.0	2.0	1.1	0.2
E	57	56	98.2	17	8.0	4.7	30.4	26.4
F	33	32	97.0	23	17.3	12.5	71.9	21.2
G	11	11	100.0	6	4.7	4.0	54.5	17.0
H	83	72	86.7	23	2.0	1.5	31.9	9.4
I	82	58	70.7	49	3.0	3.0	84.5	62.0
J	117	105	89.7	104	17.4	10.0	99.0	91.9
K	52	52	100.0	36	2.2	1.3	69.2	15.2
Site								
Chicago	307	269	87.6	203	11.7	10.5	75.5	74.6
Cleveland	186	180	96.8	41	13.1	6.3	22.8	12.4
Los Angeles	94	83	88.3	29	2.6	2.0	34.9	11.2
Portland	251	215	85.7	189	10.8	4.3	87.9	61.4
All	838	747	89.1	462	10.9	6.0	61.8	52.3

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate participant engagement in technical assistance. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause engagement in technical assistance to be slightly underrepresented.

^a Contact level refers to the availability of data per entry in the MIS. Providers were required to log any instance of service provision for each participant as a separate event in the SET MIS. This could consist of provision of training; follow-ups; or technical assistance provided in person, on the phone, or over email. Any entry that recorded such an exchange was counted as a contact.

TA = technical assistance.

Table D.11. Other supports received by assigned participants with intake

	N	Participants receiving peer group support				Participants receiving support via email	
		Total number of participants	Percentage of those with intake	Average peer group hours	Median peer group hours	Total number	Percentage of those with intake
Provider							
A	9	0	0.0			65	98.5
B	30	0	0.0			29	96.7
C	211	5	2.4	3.4	3.0	9	4.3
D	96	2	2.1	5.0	5.0	26	27.1
E	57	12	21.1	12.3	6.0	50	87.7
F	33	0	0.0			3	9.1
G	11	0	0.0			4	36.4
H	83	0	0.0			62	74.7
I	82	1	1.2	0.5	0.5	80	97.6
J	117	8	6.8	4.8	5.0	94	80.3
K	52	0	0.0			48	92.3
Site							
Chicago	307	5	1.6	3.4	3.0	103	33.6
Cleveland	186	14	7.5	11.3	6.0	79	42.5
Los Angeles	94	0	0.0			66	70.2
Portland	251	9	3.6	4.3	3.0	222	88.4
All	838	28	3.3	7.6	5.0	470	56.1

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate outputs of other program supports (peer support groups and email assistance). The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause participant engagement in peer support groups and other supports to be slightly underrepresented.

Table D.12. Participants receiving both formal training and individualized assistance

	N	Total number of participants who received both training and one-on-one support	Percentage of those with intake
Provider			
A	66	16	24.2
B	30	8	26.7
C	211	103	48.8
D	96	14	14.6
E	57	37	64.9
F	33	23	69.7
G	11	10	90.9
H	83	62	74.7
I	82	54	65.9
J	117	15	12.8
K	52	52	100.0
Site			
Chicago	307	127	41.4
Cleveland	186	74	39.8
Los Angeles	94	72	76.6
Portland	251	121	48.2
All	838	394	47.0

Source: SET MIS data through January 23, 2017.

Note: Only participants who attended a formal intake (838 participants) were included in the analysis to calculate the number of participants who received both training and one-on-one support. The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the number of participants who received both training and one-on-one support to be slightly underrepresented.

Table D.13. Seed capital microgrant receipt characteristics by provider

Provider	Total number of participants	Number of participants with an intake	Number of participants making request	Total number of requests	Percentage of participants who made a request of participants with an intake	Average amount of request per participant among those who received microgrants (participant level)	Average length of participation before making first request (in months, 30-day month, to 0.1)
A	87	66	26	26	29.9	\$999	9.4
B	33	30	10	10	30.3	\$985	8.7
C	270	211	58	60	21.5	\$1,000	9.1
D	127	96	31	32	24.4	\$985	3.9
E	61	57	32	32	52.5	\$993	6.1
F	38	33	16	19	42.1	\$991	2.6
G	12	11	9	9	75.0	\$999	10.4
H	91	83	45	51	49.5	\$977	7.7
I	84	82	28	28	33.3	\$1,000	9.0
J	130	117	93	93	50.0	\$959	6.0
K	57	52	43	43	63.2	\$994	7.2
All	990	838	356	403	36.0	\$986 (avg)	7.2 (avg)

Source: SET MIS data through January 23, 2017.

Note: The sample includes 51 participants who were still active as of the data pull date (January 23, 2017), which may cause the number of microgrant recipients to be slightly underrepresented.

Table D.14. Types of items requested by seed capital microgrant recipients

Item type	Number of requests for this item type	% of participants requesting this item type (participant level)	% of this item type being requested out of all requests (request level)	Average expenditure amount	Median expenditure amount
Electronics	167	44.9	41.4	\$708	\$762
Supplies	167	43.0	40.4	\$584	\$592
Marketing	163	44.4	41.4	\$482	\$360
Business registration	65	18.3	16.1	\$285	\$175
Licenses	58	15.2	14.1	\$358	\$250
Education	30	8.1	7.4	\$586	\$449
Furniture	26	6.7	6.5	\$250	\$205
Insurance	21	5.6	5.2	\$422	\$340
Space	8	2.2	2.0	\$331	\$428
Sample sizes	705	356	403		

Source: SET MIS data through January 23, 2017.

Note: The sample includes all microgrant requests received through January 23, 2017: 403 requests were made by 356 microgrant recipients. Since participants could ask for multiple items in a single microgrant request, the data represent all items requested, rather than items requested per participant or per microgrant.

Table D.15. Trends in seed capital microgrant requests, by key socioeconomic and demographic characteristics

Characteristics at time of application to SET	Seed capital microgrant recipients (all sites)		SET program participants who did not receive microgrants	
	Number	Percentage	Number	Percentage
Age				
Average	45	45	46	46
18–24	5	1.4	5	1.0
25–34	51	14.3	88	18.3
35–44**	120	33.7	127	26.3
45–54	110	30.9	133	27.6
55–64***	57	16.0	114	23.7
64+	13	3.7	15	3.1
Education				
No college	20	5.6	35	7.3
Some college or associate's degree**	102	28.7	177	36.7
College graduate	110	30.9	153	31.7
Advanced degree***	124	34.8	117	24.3
Financial status				
Average household income	\$35,550	\$35,550	\$31,045	\$31,045
Average credit card limit***	\$2,000	\$2,000	\$513	\$513
Average cash assets*	\$600	\$600	\$200	\$200

Source: SET MIS data through January 23, 2017; SET baseline survey data.

Note: The sample of seed capital microgrant recipients includes 356 SET participants who requested microgrants up until January 23, 2017. All participants assigned to the treatment group who did not apply for microgrants by January 23, 2017, are included in the sample for the SET participants who did not receive microgrants.

*Significantly different from zero at the .10 level, two-tailed test.

**Significantly different from zero at the .05 level, two-tailed test.

***Significantly different from zero at the .01 level, two-tailed test.

Table D.16. Business industries of seed capital microgrant recipients

Industry of microgrant recipients' businesses, based on application to SET program (NAICS code)	Seed capital microgrant recipients (all sites)	
	Number	Percentage
Professional, scientific, and technical services (performing professional, scientific, and technical activities for others) (54)	117	32.9
Other services (conducting various types of repair services, personal services, and community services) (81)	31	8.7
Manufacturing (transforming mechanical, physical, or chemical materials, substances, or components into new products) (31-33)	28	7.9
Information (broadcasting, including telecommunications, print media, and television/radio) (51)	26	7.3
Health care and social assistance (providing health care and social services) (62)	25	7.0
Retail trade (retailing merchandise) (44-45)	24	6.7
Educational services (providing instruction or training) (61)	21	5.9
Administrative and support and waste management and remediation services (providing administrative/clerical services, security and surveillance services, cleaning, and waste disposal services) (56)	20	5.6
Accommodation and food services (providing lodging or preparing meals, snacks, and beverages for immediate consumption) (72)	16	4.5
Arts, entertainment, and recreation (providing services to meet cultural, entertainment, and recreational interests) (71)	13	3.7
Construction (constructing buildings or engineering projects) (23)	10	2.8
Real estate and rental and leasing (managing real estate, including purchasing, renting, leasing, and related services) (53)	9	2.5
Finance and insurance (facilitating financial transactions) (51)	8	2.2
Transportation and warehousing (transporting passengers and cargo, warehousing and storage for goods, and providing scenic and sightseeing transportation) (48-49)	4	1.1
Wholesale trade (wholesaling merchandise) (42)	3	0.8
Agriculture, forestry, fishing and hunting (growing crops, raising animals, harvesting timber, and harvesting animals) (11)	1	0.3

Source: SET MIS data through January 23, 2017; SET baseline survey data.

Note: The sample includes the business ideas of 356 SET participants who requested microgrants up until January 23, 2017. North American Industry Classification System (NAICS) industry codes were provided by the U.S. Census Bureau (<http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012>). See Appendix B, Part II for information on how SET study participants' business ideas were categorized into NAICS codes. Some columns do not sum to 100 percent due to rounding.

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APPENDIX E:

ANALYSIS OF SURVEY AND INTERVIEW DATA ON IMPLEMENTATION

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This appendix provides additional information about service providers and their perspectives of SET. The main data sources for this analysis were (1) responses from a subset of our service providers to a short written questionnaire conducted in October 2016; (2) the service provider and workforce telephone interviews conducted in November 2016; (3) the service provider and workforce site visits conducted in November and December 2014; and (4) the monthly telephone check-ins conducted between service providers and the Mathematica study team from July 2013 to December 2016. Part I of this appendix describes the results of the results of the survey conducted with providers (source 1) and Part II describes the results of the qualitative data collection (sources 2 through 4; protocols located in Amin et al. 2017).

I. PROVIDER SURVEY RESULTS

The first part of this appendix describes the results of a short questionnaire conducted with our service provider staff. As part of the final round of data collection for the implementation study, we developed a short survey (Amin et al. 2017) to ask staff from our service providers about their experiences with SET and their perspectives on the program. We sent the survey to each provider's SET program lead. These staff were our primary contacts during program implementation as well as the lead SET advisors who worked with their organization's assigned SET participants. For some providers, this person was the only designated SET advisor. At other providers, this person supervised other staff, who also served as SET advisors, and may or may not have been the advisor working with the largest number of participants. For providers with multiple SET advisors, we targeted the SET program lead because that person could take into account the experiences of all staff involved in SET when responding to the survey. We decided not to ask other advisors to fill out the survey in order to reduce burden on provider staff. Most provider organizations also had a senior leader who oversaw the provider's SET operations. We did not target these leaders because they were not involved with SET on a daily basis and did not work directly with SET participants.

To further minimize burden on providers, we limited the survey to nine key questions across multiple topic areas: (1) SET program features and benefits, (2) SET seed capital microgrants, (3) SET program participants and participant engagement, and (4) implementing the SET program. We developed the survey questions based on the SET implementation study's research questions. We also drew from our study team's experiences in providing technical assistance during program implementation and the input and feedback we received from provider staff earlier in the implementation period. The survey questions were primarily closed-ended, with sets of categorical responses.

We emailed the survey to the SET program lead at each of the 9 service providers still participating in SET as of October 2016. (At this time, 2 of the original 11 service providers were no longer implementing SET—their services were terminated by the study team in 2015 for lack of fidelity to the SET program model.) We asked the SET program leads to complete the survey and return it to us in advance of a telephone interview, during which we would follow up to expand on their responses and hear more about their experiences. (See Appendix B, Part II for more information about the follow-

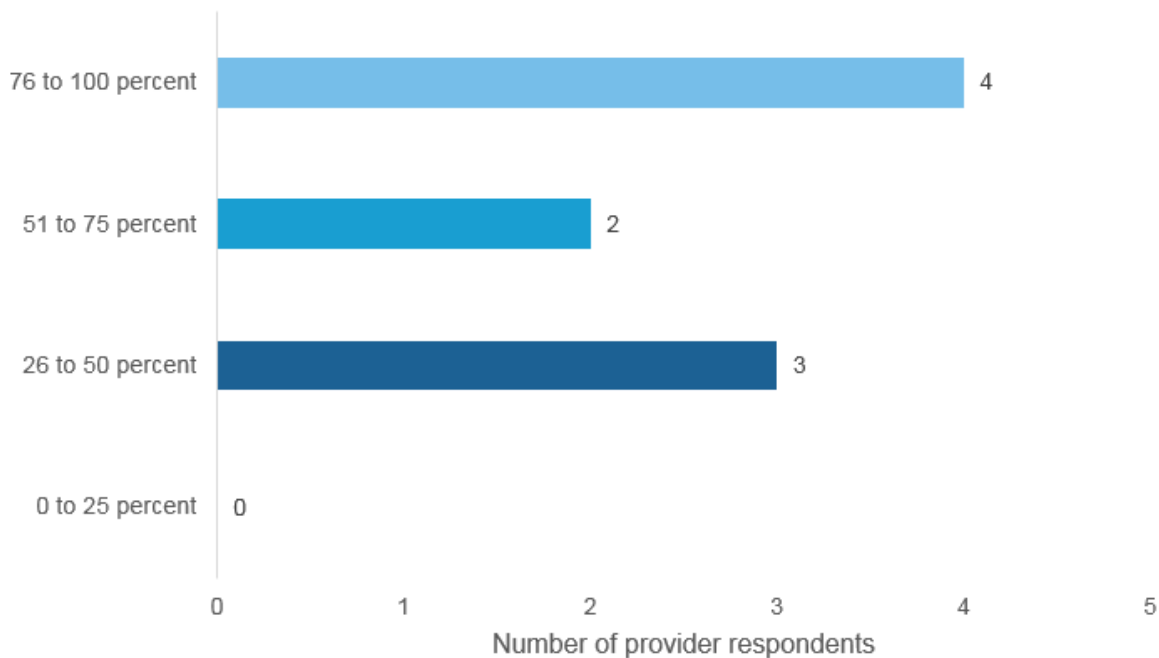
up phone interviews.) We received completed surveys from all 9 providers in the same month. In all instances, the SET program lead responded to the survey. For one provider, the SET program lead and the senior leader who oversaw the program jointly completed the survey.

We coded the compiled responses and analyzed the data in Excel. In a few cases, we filled in missing data after asking about it during the telephone interview.⁶ In this part of the appendix, we present the results from each survey question.

SET program features and benefits

1. In your opinion, what proportion of participants benefited from being admitted to the SET program?

Figure E.1. Provider estimates of proportion of participants benefiting from SET program



Source: SET provider survey (N = 9).

Note: Providers were asked, “In your opinion, what proportion of participants benefited from being admitted to the SET program? By ‘benefited,’ we mean that through knowledge, skills, or other assistance received from SET, a participant improved their re-employment status, either by making major progress towards self-employment or by returning to full-time, paid employment.” Response options given to providers are listed on the vertical axis of the figure.

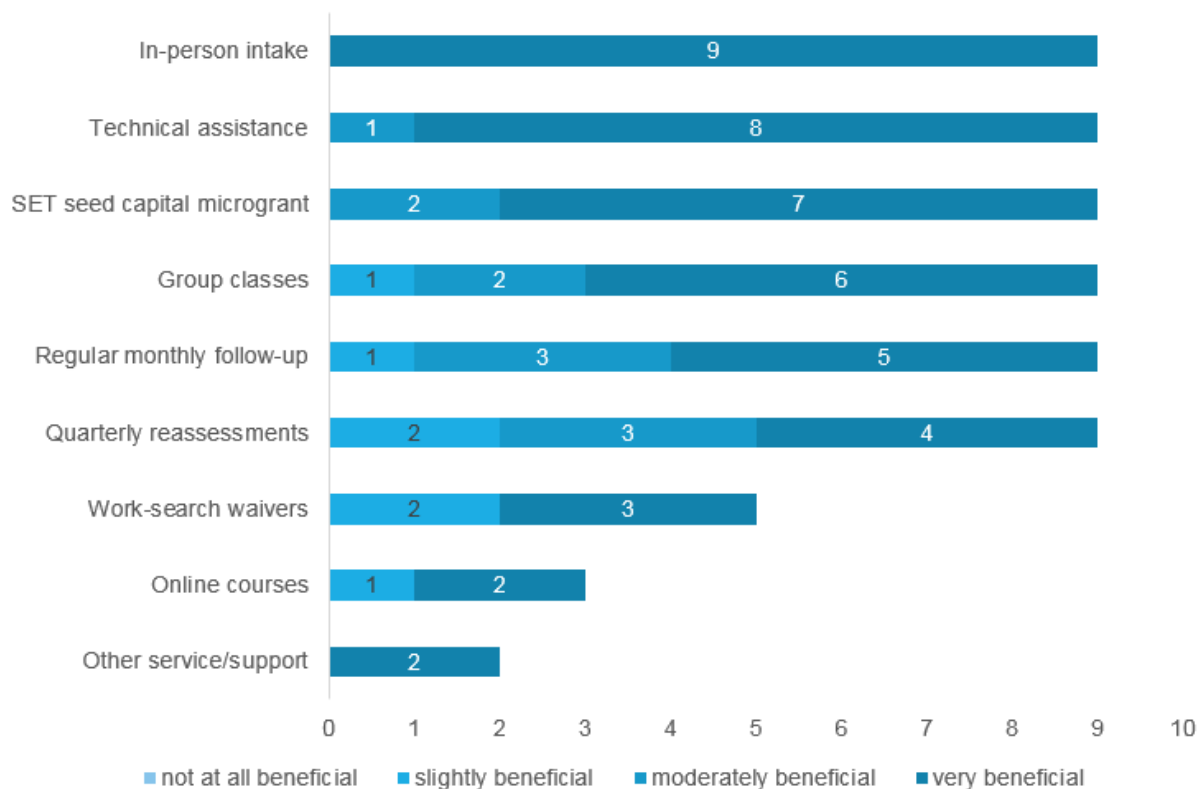
⁶We also corrected two obvious mistakes. In both cases, a respondent had replied about an element of SET that we did not implement in their site. We recoded the responses as not applicable.

Key findings

- The majority of provider respondents said that most of their participants benefited from participating in the SET program.
- Six of nine providers said they thought that more than half of their participants had benefited; four of those six providers said more than three-quarters had benefited.
- The remaining three providers said that half or fewer of their participants had benefited.

2. For each type of service/support listed below, please indicate the degree to which SET participants benefited from the service/support.

Figure E.2. Provider perceptions of benefits of SET program features



Source: SET provider survey (N = 9).

Note: Providers were asked, “We’d like to understand the ways in which most SET participants benefited from the program. For each type of service/support listed below, please indicate the degree to which SET participants benefited from the service/support.” Appendix A, Part II contains detailed descriptions of each program component. On the provider survey instrument, this question included summaries of each component (Amin et al. 2017). Work-search waivers were only available in two sites. One provider in a third site responded that these were very beneficial. However, because waivers were not available in this site, we did not count this response. Not all providers offered online courses.

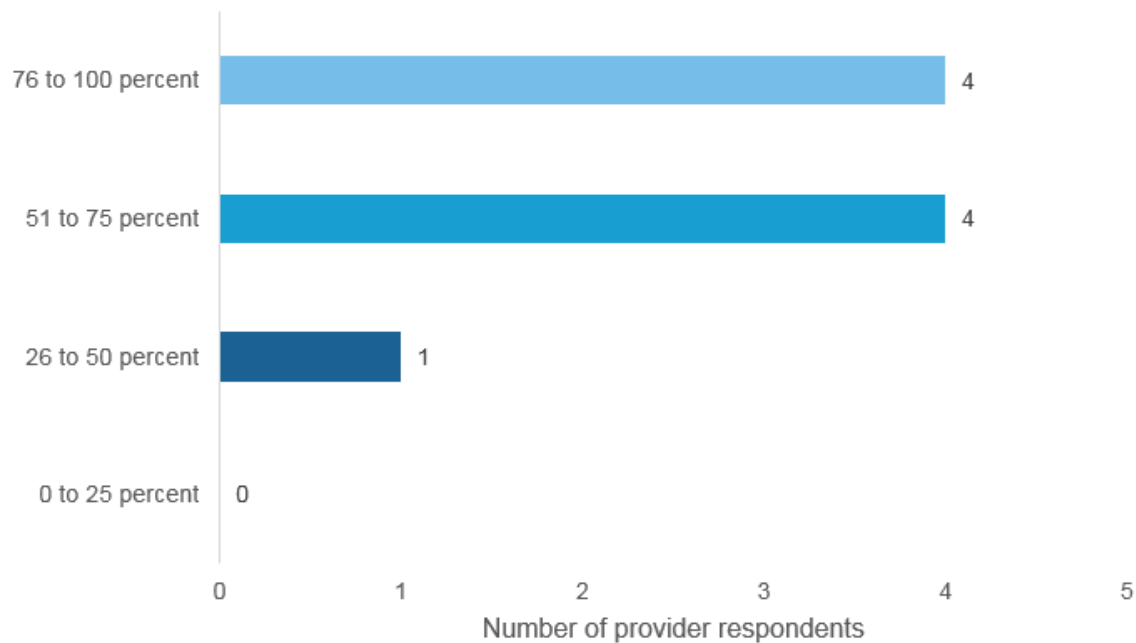
Key findings

- Overall, provider respondents felt that each core element of the SET program model was beneficial to participants.
- There were no responses of “not at all beneficial” for any element; there were only seven responses of “slightly beneficial” across all elements.
- The six items answered by all nine respondents are listed in the figure in descending order of how beneficial respondents viewed them, relative to others. In other words, each subsequent element had slightly fewer favorable responses than the previous one.
 - The elements viewed as most beneficial included in-person intake meetings, technical assistance, the SET seed capital microgrant, and group classes.
 - Elements viewed as relatively less beneficial included monthly follow-ups and quarterly reassessments.
- Work-search waivers were only available in two sites. Respondent reactions here were divided by site, with all of the Portland provider respondents reporting that waivers were very beneficial and all of the Cleveland provider respondents reporting that waivers were only slightly beneficial. (See Appendix A, Part II for details on how implementation of the work-search waiver differed in these two sites.)
- Only a few providers offered online courses, with two of three providers viewing them as very beneficial. This is a similar ratio to the group classes, to which online courses would be comparable.
- Three respondents mentioned another service or support besides those listed, with two respondents saying it was very beneficial (the third respondent did not note how beneficial the service was). One respondent cited access to business conventions and competitions. The second respondent cited referrals to external resources, such as for legal advice. The third respondent mentioned several supports that represented a combination of referrals and technical assistance, ranging from licenses and permits to attorneys and web/graphic designers.

SET seed capital microgrants

3a. In your opinion, what proportion of your participants had unmet financial needs that could only have been filled by SET seed capital microgrants?

Figure E.3a. Provider estimates of the proportion of participants with financial needs that could only have been filled by SET seed capital microgrants



Source: SET provider survey (N = 9).

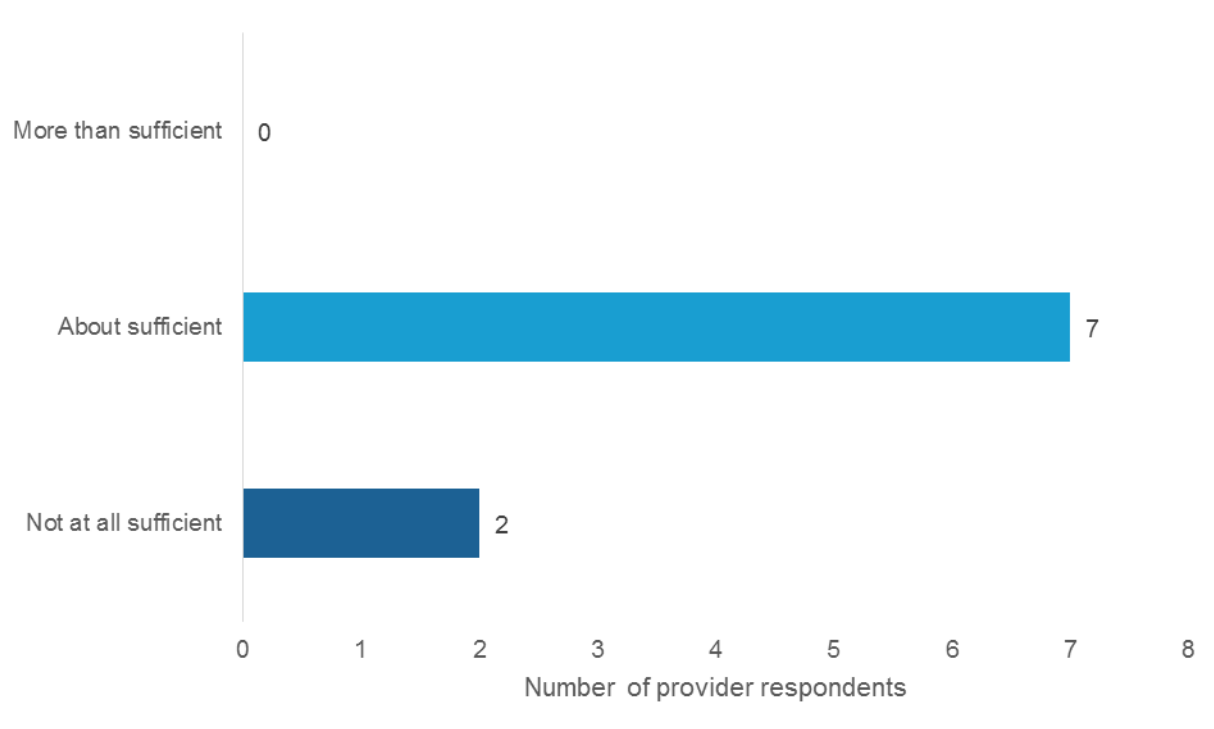
Note: Providers were asked, “In your opinion, what proportion of your participants had unmet financial needs that could only have been filled by SET seed capital grants? By ‘unmet financial needs,’ we mean that participants would likely not have been able to obtain funding from other sources, including other grants, loans, friends or family, their own assets or savings, etc.” Response options given to providers are listed on the vertical axis of the figure, except that the question included “0 percent” and “1 to 25 percent” response options. Because neither of these options were selected, they were combined for this figure.

Key findings

- Provider respondents indicated a high degree of financial need among participants that could only have been filled by the seed capital microgrant.
- All but one respondent said that a majority of participants had unmet financial needs that could only have been filled by SET seed capital microgrants. About half of the respondents said that at least three-quarters of their participants had these needs.

3b. For those with unmet financial needs, in general, how sufficient was the SET seed capital microgrant at meeting participants' needs? If not at all sufficient, what seed capital microgrant amount would be more appropriate for meeting participants' needs?

Figure E.3b. Provider perceptions of the sufficiency of SET seed capital microgrants



Source: SET provider survey (N = 9).

Note: Providers were asked, "For those with unmet financial needs, in general, how sufficient was the SET seed capital grant at meeting participants' needs?" Respondents who answered "not at all sufficient" were asked an open-ended question: "What seed capital grant amount would be more appropriate for meeting participants' needs?"

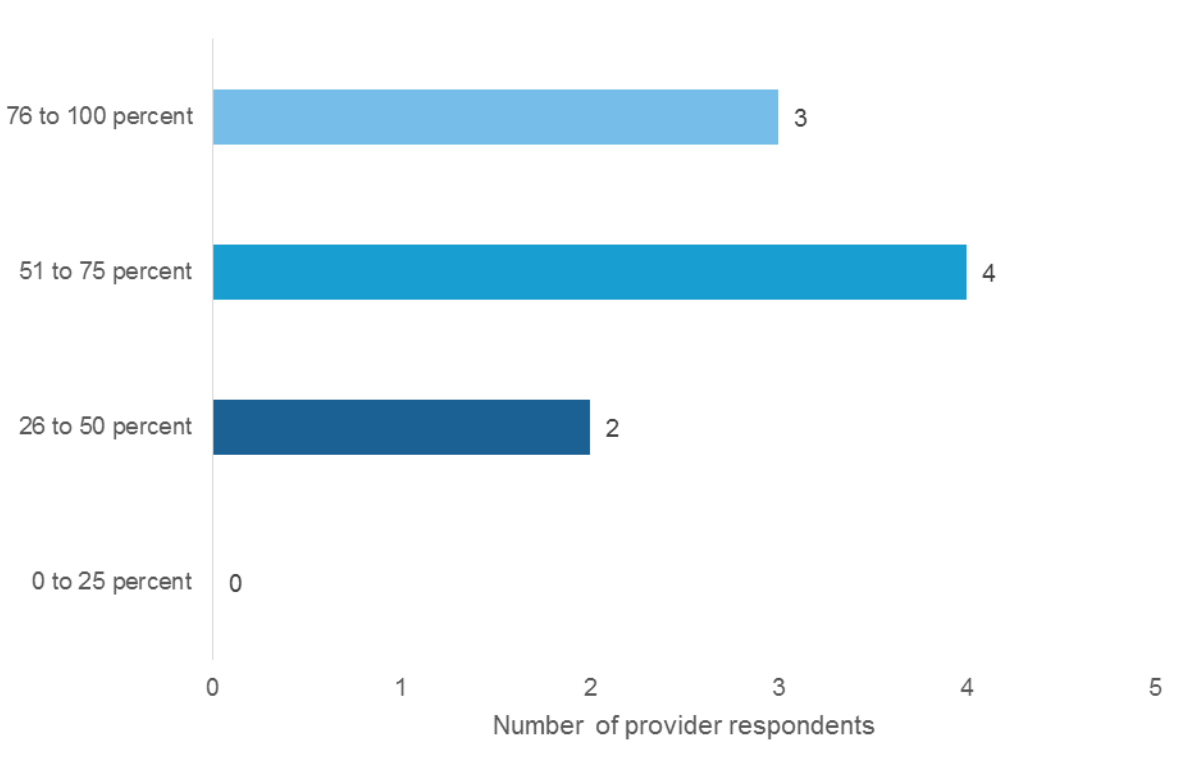
Key findings

- Most respondents (seven of nine) said the seed capital microgrant (up to \$1,000) was about sufficient for meeting participants' needs.
- Of the other two providers, both in Portland, one respondent said an appropriate amount would be \$2,500. The other did not state a specific amount. This respondent said it would help to use more restrictive criteria for microgrant receipt, but provide a larger amount to those who qualified.

SET program participants and participant engagement

4. In your opinion, what proportion of your participants had sufficient experience or expertise for pursuing their proposed business at the time they entered the SET program?

Figure E.4. Provider estimates of the proportion of participants with sufficient backgrounds for proposed businesses



Source: SET provider survey (N = 9).

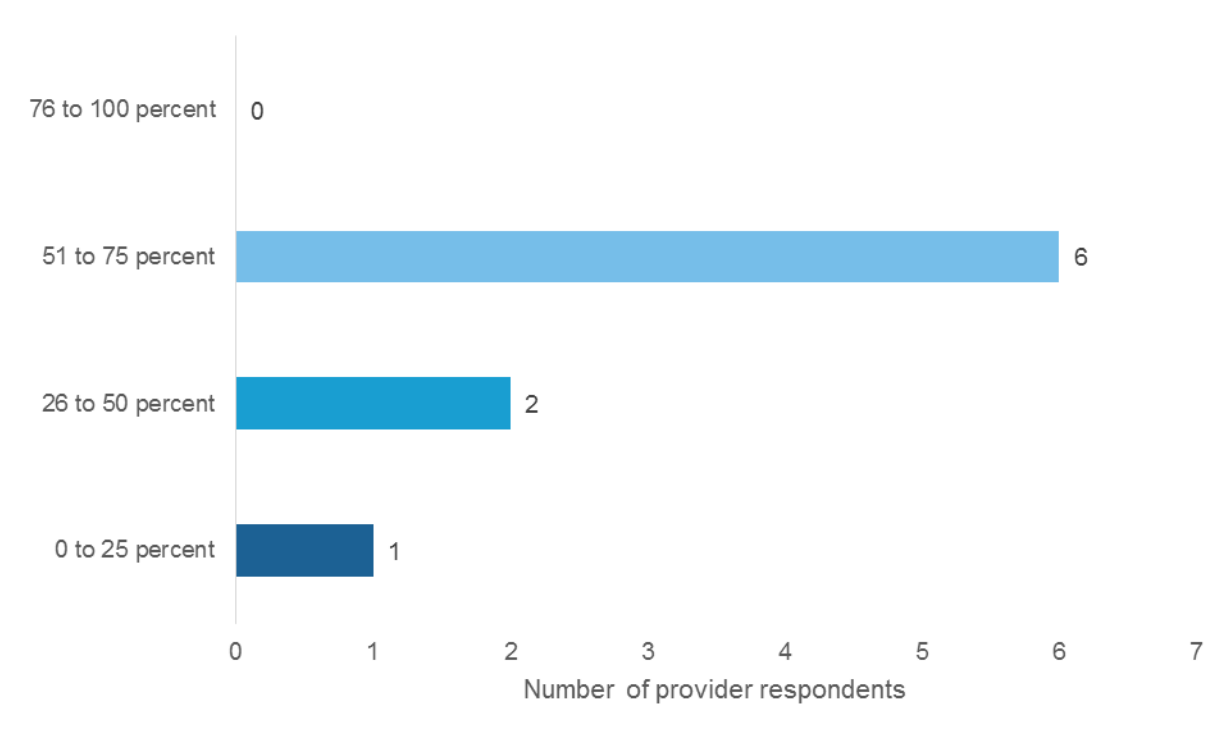
Note: Providers were asked, “In your opinion, what proportion of your participants had sufficient experience or expertise for pursuing their proposed business at the time they entered the SET program?” Response options given to providers are listed on the vertical axis of the figure. Providers could use their own discretion in assessing sufficient experience or expertise.

Key findings

- All but two respondents (seven of nine) said that a majority of participants had sufficient expertise or experience for pursuing their business. However, only three of the respondents said that at least three-quarters of their participants had sufficient expertise or experience.
 - According to the design for SET, applicants were only accepted to the program if their application indicated that they had sufficient background in the business they proposed to pursue. However, the program used a broad definition of the type of background experience that could be considered sufficient. (See Appendix A, Part II for more details on SET program eligibility criteria.)

5. What percentage of your participants fully engaged with the SET program?

Figure E.5. Provider estimates of proportion of participants fully engaged with SET program



Source: SET provider survey (N = 9).

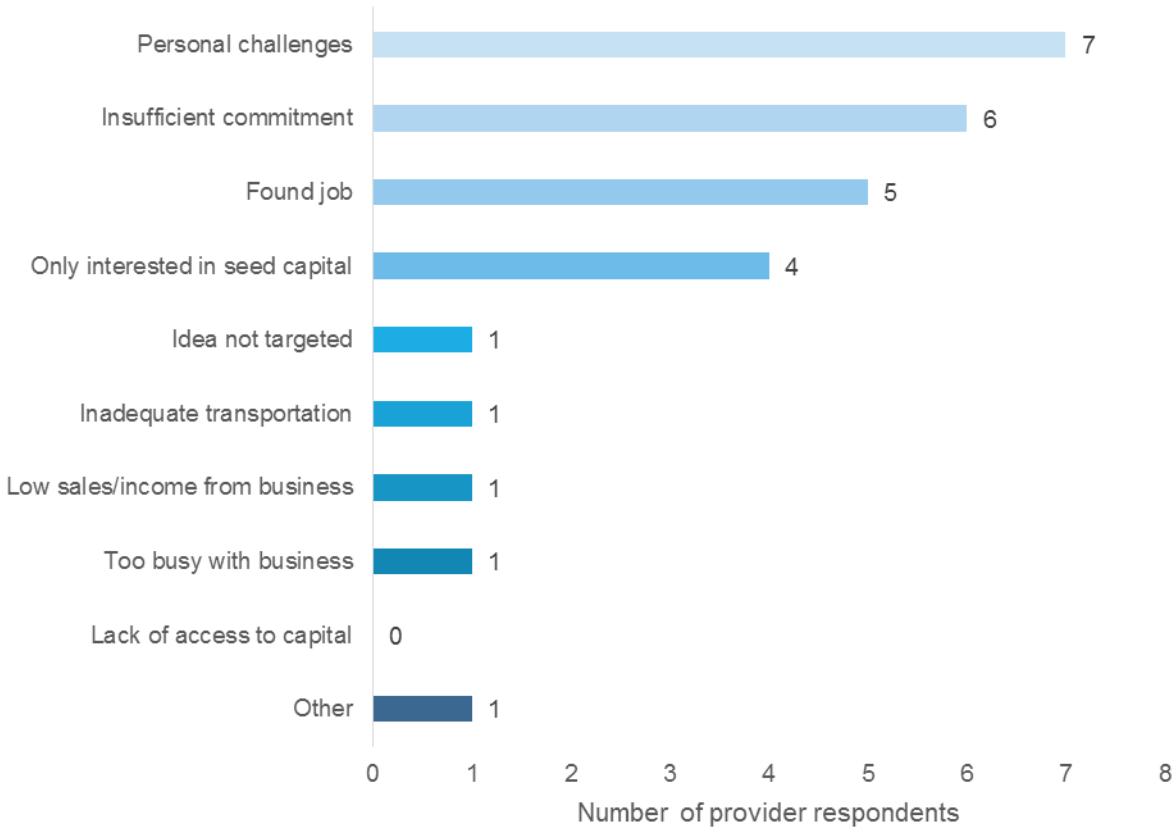
Note: Providers were asked, "What percentage of your participants fully engaged with the SET program? By 'fully engaged,' we mean the individuals actively participated in program services offered and made progress on assigned tasks." Response options given to providers are listed on the vertical axis of the figure.

Key findings

- Provider respondents indicated that while many participants fully engaged with SET, a sizable number of participants did not.
- Two-thirds of respondents (six of nine) said a majority (51 to 75 percent) of their participants fully engaged with SET.
- None of the provider respondents said that more than three-quarters of participants were fully engaged.
- The remaining three respondents said that fewer than half of their participants were fully engaged.

6. For participants who engaged very little or were not engaged with SET, what were the top three reasons for their lack of engagement?

Figure E.6. Provider perceptions of the top three reasons for lack of participant engagement



Source: SET provider survey (N = 9).

Note: Providers were asked, “For participants who engaged very little or were not engaged with SET, what were the top three reasons for their lack of engagement?” The SET provider survey instrument (Amin et al. 2017) contains longer descriptions of each reason option.

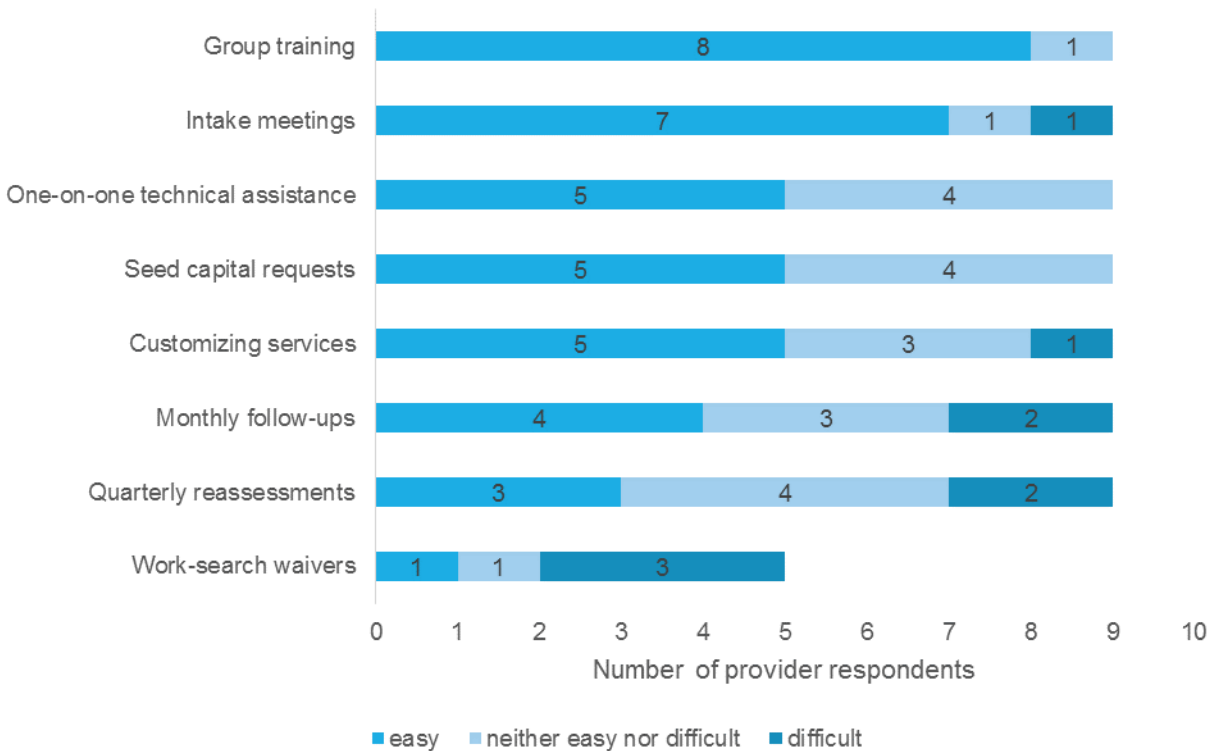
Key findings

- Respondents clearly selected four options among their top three reasons that they attributed to participants not fully engaging with SET: (1) personal challenges (such as health, child care or other family care, or housing); (2) finding a job; (3) insufficient commitment from the participant; and (4) participants only having an interest in the seed capital microgrant.
- All of these reasons were selected by at least four respondents. The other options were each selected by only one respondent, and one option—lack of access to capital—was not chosen by any respondents.

Implementing the SET program

7a. How easy or difficult was it to implement each of the following features of the SET program?

Figure E.7a. Provider perceptions of the degree of difficulty in implementing SET program features



Source: SET provider survey (N = 9).

Note: Providers were asked, “How easy or difficult was it to implement each of the following features of the SET program?” Appendix A, Part II contains detailed descriptions of each program component. Work-search waivers were only available in two sites. One provider in a third site responded that these were neither easy nor difficult to implement. However, because waivers were not available in this site, we did not count this response.

Key findings

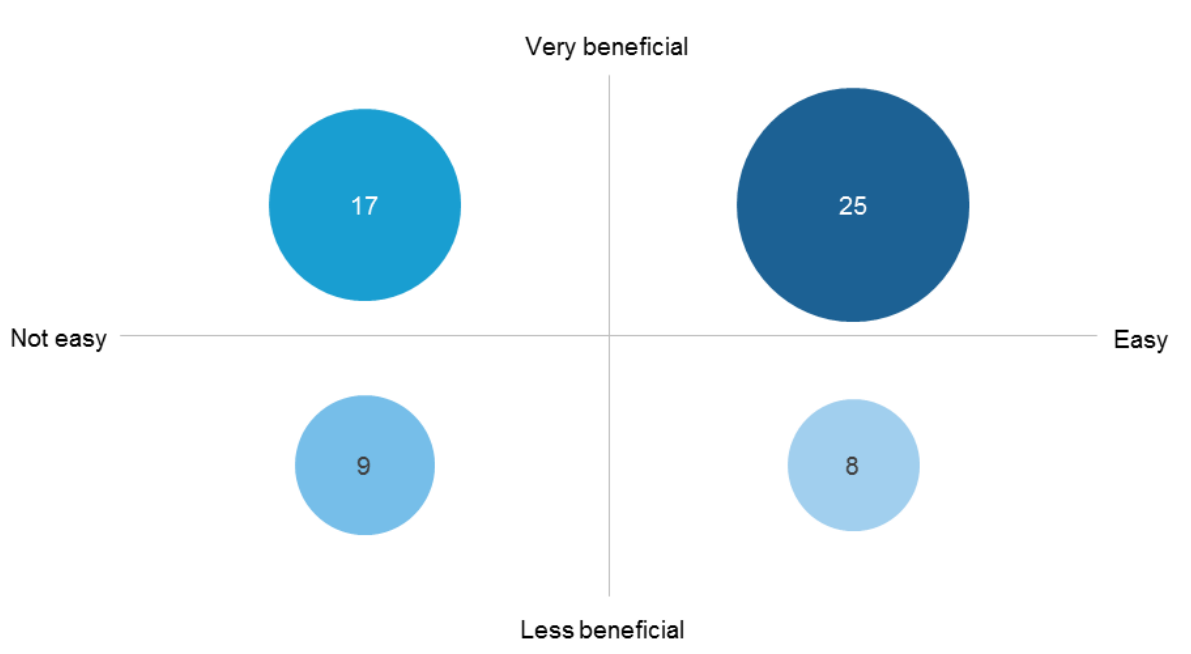
- Provider respondents generally said that the elements of SET were easy to implement, with some exceptions.
- For some elements, several respondents (three or four) said that the elements were neither easy nor difficult to implement.
- Overall, there were nine responses of an element being difficult to implement.

- The elements are listed in the figure in descending order of ease of implementation, as viewed by the respondents. In other words, each subsequent element had slightly fewer favorable responses than the previous one.
 - The elements viewed as easiest to implement included group trainings and intake meetings, followed by technical assistance, seed capital requests, and customizing services.
 - The two elements viewed as more difficult to implement included monthly follow-ups and reassessments.
- Work-search waivers were only implemented in two sites; however, proportionally, these were actually viewed as the most difficult to implement.

Using the responses from questions 2 and 7, we analyzed how provider responses about the benefits of SET program features compared with their responses about the degree of difficulty of implementing those features:

- Overall, the elements of the SET program model that providers perceived as the most beneficial (question 2) tended to be the ones that providers also perceived as the easiest to implement (question 7a).
 - On both questions, the elements viewed as most beneficial to participants and easiest to implement were the intake meetings, one-on-one technical assistance, SET seed capital microgrants, and group training classes.
 - Similarly, on both questions, the elements viewed as least beneficial to participants and most difficult to implement—relative to the other elements—were the monthly follow-ups and quarterly reassessments.
 - The work-search waivers were only available in two sites; providers in both sites generally viewed them as difficult to implement. However, providers in one site (Portland) perceived them as very beneficial to participants while the other site’s providers (Cleveland) perceived them as only slightly beneficial.

Figure E.7b. Comparing provider perceptions of the benefits of SET program features and the degree of difficulty in implementing SET program features



Source: SET provider survey (N = 59 responses from 9 providers about 7 SET program elements).

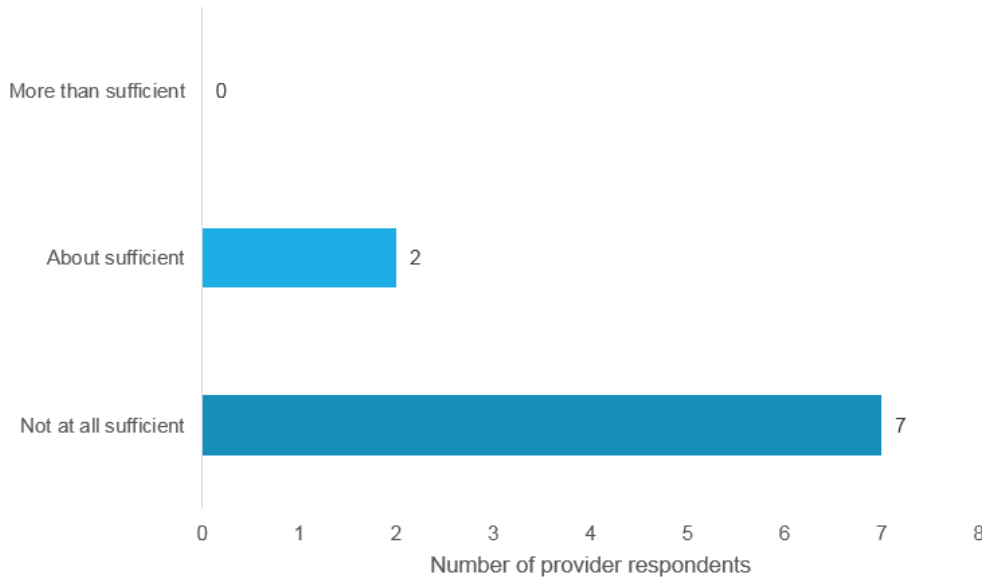
Note: The circles represent the number of responses from providers about SET program elements on both questions 2 and 7. On the vertical axis, responses to question 2 are categorized as very beneficial (answered “very beneficial”) or less beneficial (answered “moderately beneficial” or “slightly beneficial” or “not at all beneficial”). On the horizontal axis, responses to question 7 are categorized as easy (answered “easy”) or not easy (answered “neither easy nor difficult” or “difficult”). Responses are for the seven elements listed on both questions: (1) intake meetings, (2) one-on-one technical assistance, (3) SET seed capital microgrants, (4) group training classes, (5) monthly follow-ups, (6) quarterly reassessments, and (7) work-search waivers (which was only asked of the providers in the two sites where waivers were available).

- While the survey results demonstrated a relationship between the elements perceived as most beneficial and easiest to implement, this relationship was not observed when comparing elements perceived as less beneficial and less easy to implement.
 - Figure E.7b shows the number of times that a provider’s responses to questions 2 and 7 for an element fell into one of four categories, based on defining the responses to each question by two categories.
 - We categorized the response to question 2 as either very beneficial (answered “very beneficial”) or less beneficial (answered “moderately beneficial” or “slightly beneficial”). The “not at all beneficial” option was not given by any provider for any element.
 - We categorized the response to question 7 as either easy (answered “easy”) or not easy (answered “neither easy nor difficult” or “difficult”).
 - We compared responses for the seven SET program features listed in both questions (intake meetings, one-on-one technical assistance, SET seed capital microgrants, group training classes, monthly follow-ups, quarterly reassessments, and work-search waivers for the providers in the two sites where waivers were available).

- Comparing the overall findings from questions 2 and 7 (discussed earlier in this section) suggests that most provider responses about an element would say that it is either very beneficial and easy to implement or less beneficial and not easy to implement. This suggests the top right and bottom left quadrants in Figure E.7b would have shown much higher counts compared to the top left and bottom right quadrants.
- As expected from the findings for questions 2 and 7, the most common response from a provider for an element was that it was very beneficial and easy to implement (25 provider-element responses in the top right quadrant).
- However, when provider respondents did not say that an element was both very beneficial and easy to implement, they were not likely to say it was both less beneficial and not easy to implement (9 provider-element responses in the bottom left quadrant). Instead, such responses usually indicated that the element was either not easy to implement but very beneficial (17 responses in the top left quadrant) or less beneficial but easy to implement (8 responses in the bottom right quadrant).
- These responses illustrate that while certain elements (discussed earlier in this section) tend to be viewed as less beneficial but harder to implement these findings tend to occur because different providers give one of the two responses, as opposed to the same providers giving both responses.

8. In general, how sufficient was the SET payment structure (up to \$825 per participant) at paying for the true cost of providing SET services? If not at all sufficient, what amount would be more appropriate for paying the true cost of providing SET services?

Figure E.8. Provider perceptions of the sufficiency of the SET payment structure



Source: SET provider survey (N = 9).

Note: Providers were asked, “In general, how sufficient was the SET payment structure (up to \$825 per participant) at paying for the true cost of providing SET services?” Respondents who answered “not at all sufficient” were asked an open-ended question: “What amount would be more appropriate for paying the true cost of providing SET services?” For more details on the SET payment structure for service providers, see Chapter VI on utilizing performance-based incentives to encourage model fidelity.

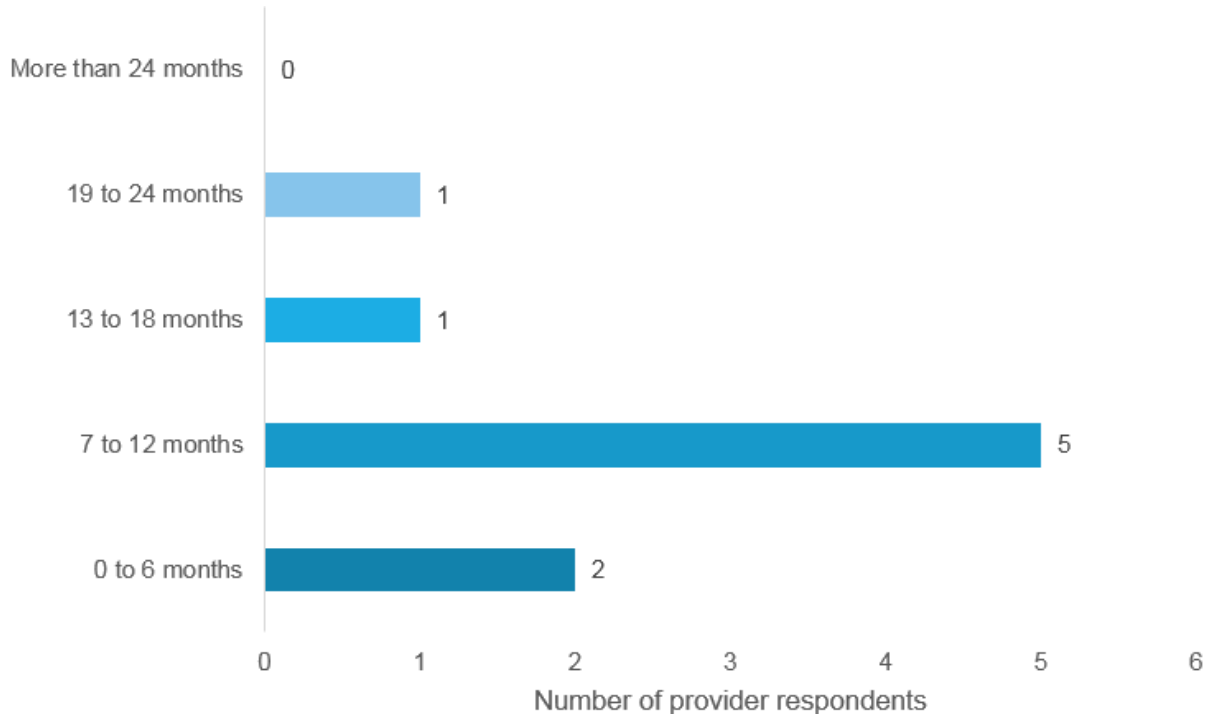
Key findings

- Only two of nine respondents said the SET payment structure (up to \$825 per participant) was about sufficient for paying the true cost of the services delivered.
- Of the seven respondents who said the payment structure was not at all sufficient:
 - Five respondents offered a specific per participant amount that they felt was appropriate: \$1,000; \$1,500; \$1,800; \$2,500; and \$4,500.⁷
 - The other two respondents said they were unsure. One respondent noted that the organization had hired extra staff to help implement SET; the other respondent noted that some participants used more services than others.

⁷ The respondent who mentioned \$1,800 per participant calculated this amount from a fee of \$50 per hour, saying 36 hours is needed to serve a participant who completed the program.

9. On average, how many months of SET services are ideal for participants?

Figure E.9. Provider perceptions of the ideal length of SET services



Source: SET provider survey (N = 9).

Note: Providers were asked, “On average, how many months of SET services are ideal for participants?” Response options given to providers are listed on the vertical axis of the figure.

Key findings

- A majority of provider respondents (five of nine) said 7 to 12 months would be the ideal program length for SET. This option most closely aligns with the SET time frame, which lasted up to 12 months.
- Of the remaining respondents, two respondents preferred a shorter time frame of six months or less, while the other two respondents preferred a longer time frame of between one and two years.

II. QUALITATIVE DATA COLLECTION RESULTS

In the second part of this appendix, we provide the results of qualitative data collection with service providers and workforce partners. Section A provides details about the service providers’ perspectives of SET participants and their businesses. Section B explores whether service providers found SET as a whole to be useful to participants, the aids and barriers that SET participants experienced while engaging in SET and starting their businesses, and service providers’ thoughts on additional markers of business success. Section C provides details on the providers’ perceived usefulness of the specific SET services, any challenges they faced implementing the elements, and lessons learned. Section D

discusses providers' and workforce partners' views on the operational aspects of SET and their thoughts on how SET could be improved.

Given the nature of the data collection approaches, not all provider and workforce agency staff responded to every question. This is particularly true for the service provider and workforce site visits that we conducted earlier in the implementation period, which combined data collection with technical assistance support. Telephone interviews at the end of the implementation period addressed a more limited set of questions than the site visit interviews; on several topics, only data from site visit interviews is available. Frequencies and percentages are only reported for the provider telephone interviews (out of the total sample of nine service providers, unless otherwise noted). We conducted these near the end of the implementation period to collect more consistent information. For more information about how these data were collected and analyzed, see Appendix B, Part II.

A. Who Participated in SET?

To learn more about whom the SET program served, we asked service provider staff about how participants' past experiences related to their businesses and about participants' motivations for applying to SET.

1. Did SET participants propose businesses that were linked to their previous experiences?⁸

At the time of the site visits, staff at many service providers stated that at least some of the participants' proposed businesses were linked to their previous experience. Some staff said all of their participants' businesses were linked to their past experience. However, staff at a few service providers said they saw a mix of SET participants, with some having linked experience and others not having linked experience. Staff at one provider observed that participants who were underemployed tended to propose businesses that were not linked to their current job but rather to the fields in which they were last employed. Staff at another provider said that half of the participants proposed business ideas that were well developed and that built upon their previous jobs, while the other half proposed unrealistic businesses in fields in which the participants lacked experience.

2. Why did SET participants apply for the SET program? What were some typical reasons?

At the end of implementation, during the phone interviews with staff from the service providers, a few reasons emerged for why participants applied to SET. Four staff stated that participants applied to SET because starting a business was always their dream. Three staff said that participants applied because they had a business idea that they were interested in pursuing and another three said participants applied in response to being laid off. Of those who applied in response to being laid off,

⁸ Although we required that applicants propose businesses linked to their previous experience or expertise to be eligible, we broadly defined what kinds of experience or expertise could be allowed.

provider staff reported that some participants appeared to be frustrated with the traditional workplace or looking for work or they were concerned about taking a pay cut and decided to pursue their own business instead. Staff at two of the nine service providers stated that participants applied to SET because they wanted to make money. At the time of the site visits, staff also stated that participants applied because they always wanted to start a business. Other reasons included participants desiring to be their own boss, to escape “corporate America,” or to stop looking for wage and salary job opportunities.

B. How well did SET operate?

Service provider staff provided important insight about whether and how the SET program as a whole worked for participants. To understand these perspectives, we asked provider staff about the usefulness of the SET elements and whether they believe participants would have progressed similarly without SET. We also asked about the common markers and milestones of progress in starting a business. To better understand for whom SET worked, we asked service provider staff about the aids and barriers participants faced in engaging with the program, the challenges they faced in starting their businesses, and whether the SET program was able to help participants with those challenges. We also asked provider staff about the aids to starting a business in general. We explore service provider staff perceptions of specific SET services in more depth in Section C.

1. What were the most frequently cited elements that providers thought were most useful?

During the site visits, service provider staff reported several useful elements of the SET model. Many staff thought the seed capital microgrant was useful; some staff commented that the one-on-one advising and assistance with writing a business plan were useful. For more information on provider opinions regarding these elements, see Section D.

2. What were the frequently cited elements that providers thought were least useful?

During the site visits, provider staff reported a few elements of the SET model that they deemed to be less useful. The monthly follow-up meetings were less useful, as well as the reassessments, according to several staff people. For more information on provider opinions regarding these elements, see Section D.

3. What did service providers think participants would have done in the absence of SET?

Near the end of the implementation period, during the telephone interviews, staff at six of the service providers (out of eight that replied to this question; staff at one provider did not respond) thought at least some of their SET participants would have continued to pursue their businesses without SET. Staff at three service providers said that all of their participants would have still pursued their businesses. Staff at another three service providers said that their caseloads were more of a mix

(some participants would have pursued their businesses and some would not have pursued their businesses). Staff at three service providers commented that though they believed SET participants may have still pursued their businesses without SET, they would have taken longer to start up and be successful. Staff at two service providers, including one that thought some participants would have pursued their businesses without SET and one that thought no participants would have pursued their businesses without SET, said many participants would have continued to look for jobs instead of pursuing their businesses. One SET advisor, who did not think participants would pursue their businesses without SET, said that SET gave participants the direction they needed.

4. What were the commonly mentioned markers or milestones of progress in starting a business?

During the site visits, staff at the service providers shared multiple markers or milestones of progress in starting a business, a few of which were commonly stated. Having a sufficient business plan, getting the first sale, and getting the business registered were common markers of progress (two of which coincided with the seed capital microgrant requirements), according to several staff people. Other markers of progress that were mentioned included job creation, opening a business checking account, gaining access to capital, obtaining permits, experiencing an increase in personal net worth, and reaching full income replacement from a participant's last job.

5. What helped participants engage in the SET program?

During the site visits, service provider staff offered a few characteristics that helped participants engage in SET. Several staff said that being "eager" or having "drive" helped participants engage. Staff at one service provider said having passion for the business or having experience working on the business before joining SET helped participants engage.

6. What deterred participants from engaging in the SET program?

At the time of the site visits, staff at the service providers shared multiple barriers that deterred participants from engaging in SET. The most common reasons stated by staff were having a job or looking for a job. According to one staff person, some participants had to work for income, so having a job impeded their ability to work on the business and engage in SET. The second-most commonly stated reason that deterred participants from engaging was having personal challenges, including family commitments, health issues, homelessness, and needing to move. The third-most commonly mentioned reason was that some participants wanted to access the seed capital microgrant but were not interested in engaging in program services. Other reasons mentioned included (1) participants realizing that starting a business was hard work and they did not want to do the work, (2) participants being less engaged in the program because they were working on their business, and (3) participants not wanting or being able to travel to the service provider's office.

7. What barriers did participants face in starting a business?

During the site visits, provider staff reported many barriers to starting a business, with a few trends emerging. The two most commonly mentioned barriers were lack of funds and fear of taking risks and failing. The third most commonly mentioned barrier was needing to work in a regular salary and wage job for income. Credit issues and marketing were also mentioned as barriers to starting a business.

8. To what extent was SET able to help address these barriers?

During the telephone interviews, five staff at the service providers (out of eight responding providers; one provider did not respond to this question) thought SET was able to help address the barriers that participants faced in starting a business. Some staff commented that the seed capital microgrant helped participants address their start-up cost needs and gave them confidence in pursuing their businesses. Some staff also commented that the SET advisors were able to help participants overcome their barriers, push them to take risks for their businesses, and prevent them from making bad decisions. One staff person who thought SET could not help address participant barriers pointed to socioeconomic barriers that the staff member thought were too large for SET to address.

9. Were there participant needs or issues that the SET program was unable to address? What were they and why was SET not able to meet them?

Staff at several service providers stated during the site visits that they did not think there were needs or issues that the SET program was unable to address. However, staff at one service provider provided several examples of needs or issues that SET was unable to address, including assistance with transportation, participants' personal challenges, bookkeeping or QuickBooks software, and tax information.

10. What were the commonly mentioned aids to starting a business in general?

At the time of the site visits, provider staff mentioned many aids to starting a business in general, with a few patterns emerging. Staff at many service providers said that having ambition and being motivated was an aid. Staff at several providers also said that having sufficient experience in the field in which participants were starting their business was an aid. Other commonly mentioned aids were having passion or enthusiasm, having financial resources, being dedicated to the business, having marketing skills, and having existing connections to clients.

C. SET in depth: Key features in practice

The SET program had three key features: (1) case management, (2) intensive and tailored service delivery, and (3) the SET seed capital microgrant. To better understand whether these specific elements were helpful to participants, we asked service provider staff about their perceptions of the usefulness of these key features of the program, any challenges they faced implementing these elements, and any lessons learned.

Case management

1. Did service providers think the specific elements of case management were useful?

In-person intake. Across both data collection periods, staff agreed that in-person intake was a useful element of the program model. Near the end of the implementation period, staff at all of the providers interviewed over the telephone thought the in-person intake was useful, with several commenting that holding intake in person was particularly helpful. According to one SET advisor, having participants come in for intake was critical because participants were exposed to the service provider's facility, where they would be receiving assistance and attending training, and could start to develop a connection with the SET advisor. Requiring participants to attend intake in person ensures that participants put some "skin in the game," according to another advisor. Staff also mentioned that the intake meeting was important for establishing rapport, to make participants feel comfortable and open up about their business ideas and financial situations. Staff at one service provider thought the intake was so beneficial that they replicated the practice in their own, non-SET program.

Early in implementation, during the site visits, staff at many service providers thought the in-person intake was useful. A SET advisor at one service provider said the intake helped to get a better sense of a participant's business idea. A staff person at a different provider said the intake was helpful for establishing "strong connections" with participants that could aid in program retention and improve the quality of future interactions. However, staff at another service provider did not think the intake was the best use of resources because similar information could be shared during the service provider's classes for start-up business owners.

Monthly follow-ups. Views by provider staff about monthly follow-ups changed over time. At the time of the telephone interviews, near the end of implementation, staff at all of the service providers thought the monthly follow-up was at least somewhat useful. One advisor commented that participants were grateful for the opportunity to meet regularly with someone who could help them make their ideas actionable month-to-month. Another advisor said the monthly follow-up was important because participants needed nudging and benefitted from having a resource for information and ideas. The monthly follow-up requirement was also helpful as a means of motivating people who were unengaged, according to another advisor. Staff at the one service provider that found the monthly follow-ups to be only somewhat useful said the interactions were one-sided and not conversational. The advisor would ask questions and obtain answers from participants, but participants did not engage beyond that.

At the time of the site visits, earlier in implementation, staff at the service providers had mixed views about the usefulness of the monthly follow-up requirement. Many staff thought the monthly follow-up was useful. Participants liked the structure of the follow-ups and the homework they received during the meetings, according to one advisor. Another said the follow-up meetings were helpful as an opportunity for participants to "step back" and look at their plan and vision for the business, which the advisor said does not happen often for business owners. One SET advisor compared it to therapy,

because it helped participants uncover their weaknesses and “break down walls” while sharing their business ideas. Another advisor thought the meetings were useful in helping participants feel that they had a partner and someone to brainstorm with.

However, several other staff commented that the follow-ups were not useful or only useful for some participants. Monthly follow-up meetings were only useful for those participants who needed extra help, according to one staff person. Another staff person said that some participants did not want or need the follow-up meetings and preferred to just work on their businesses, while others appreciated the meetings as a “shot in the arm” to motivate them and as an opportunity to gain another person’s perspective on their business. One staff person, who thought the monthly follow-up was not useful, commented that the meetings were only helpful for participants who were already engaged and that those participants would have contacted the service provider on their own. Both the director and an advisor at one service provider thought the monthly follow-up was less useful because they thought participants should be responsible for engaging with the program. They believed it was not necessarily helpful to remind people who want to be entrepreneurs to engage. Another advisor thought that meeting once per month was too frequent and that the provider did not need to “baby” or pressure participants. Staff also said it was frustrating to try to follow up with participants who did not respond and also frustrating not knowing the status of unresponsive participants. One advisor recommended that the follow-ups start out as monthly but then scale back to every two to three months as the program progressed.

Quarterly reassessments. Views about quarterly reassessments also shifted over time. At the time of the telephone interviews, near the end of implementation, staff at all but one responding service provider (89 percent) found the reassessments to be at least somewhat useful, with 56 percent commenting that the reassessments were useful and 33 percent commenting that they were somewhat useful. One advisor commented that the reassessments were helpful for participants to reflect on their business three times a year. The reassessments were only somewhat useful because the advisors check on the progress of the business every month, but they still found the concept of reassessing useful, said two advisors. The one advisor who did not find the reassessments useful thought the benefit of the meetings was not worth the effort to get them scheduled.

At the time of the site visits, earlier in implementation, staff at many of the service providers thought the reassessments were not useful. Staff commented that the reassessments were not different than the monthly follow-up meetings because the advisors were checking on progress and next steps each month; therefore, the reassessments were not necessary. Of those staff who did find the reassessments useful, one person commented that the reassessment gave the staff and the participant a chance to review the entire business, as opposed to the specific action steps that they discussed during the monthly follow-ups. Some participants had changed their plans or business model completely by the time of the reassessment, so meeting was helpful to check on where things stood, according to two staff. One director at a service provider organization thought the reassessments were not necessary because there were ongoing conversations between advisors and engaged participants

about their progress during the monthly follow-up meetings. One advisor recommended scheduling another reassessment for seed capital microgrant recipients one year after receiving the microgrant, either to help motivate them or to possibly provide another microgrant if they were still engaged with their business.

2. Did service providers think it was useful to have early termination as an option?

Near the end of implementation, during the telephone interviews, staff at all but one service provider thought that being able to terminate participants from the program early was useful. Being able to terminate participants was helpful so that administrative staff could stop trying to track down disengaged participants, according to one SET advisor. Another advisor agreed that terminating participants helped lessen the service provider's workload, but also found early termination useful for participants as well. For participants who were not interested in pursuing their business, it was not helpful for them to continue to receive emails from the service provider, according to this person. Other advisors commented that it was helpful to "clean house" and terminate those who did not want to engage in the program. Advisors could then focus their time on those who were truly interested in the support. The one advisor who said early termination was not useful was hesitant to terminate participants because the advisor wanted to give every participant a chance to benefit from the program.

3. What challenges and lessons learned did service providers report about case management and its specific elements?

During the site visits and telephone interviews, service providers reported some challenges and lessons learned about the specific elements of case management. For more detail, see question number 1 in this section.

Monthly follow-ups. For monthly follow-ups, challenges included that participants were not motivated to meet with their advisors and would not set up or keep appointments. Some participants did not respond to the staff outreach or responded negatively. Other participants had their telephones disconnected or they changed telephone numbers, which made them difficult to reach.

Reassessments. For reassessments, challenges included the requirement for participants to attend in person, which could be difficult due to parking and traffic. Staff at one service provider said that scheduling more than one reassessment was difficult because half of the participants were disengaged by the second quarter.

Termination. One advisor commented that a challenge occurred when terminated participants came back to the service provider and wanted to re-engage. These participants would be unhappy about

their termination and the advisor would have to consider whether the participants were committed enough to the program to let them re-engage in services.⁹

Intensive and tailored service delivery

4. What were the service providers' perspectives on tailored service delivery? Was it useful?

Near the end of implementation, during the telephone interviews, staff at eight of the service providers (one provider did not respond to this question) said that tailored service delivery was useful and necessary. One advisor commented that it was necessary to create a tailored package of services for each participant, because if everyone had received the same services no one's needs would have been met. According to another advisor, it was useful to tailor services because participants had different levels of business acumen. It was important to not waste people's time with services they did not need or to push them too fast, which may have caused them to disengage from the program. As one advisor commented, "One size fits all doesn't fit in business."

5. What challenges and lessons learned did service providers report about tailored service delivery? What would they keep or change?

At the time of the site visits, staff at several service providers commented that the intake and monthly follow-up meetings were helpful in tailoring services for SET participants. The intake meeting allowed the advisor to listen and learn about the needs and barriers the participants were facing and to offer tools that could help them, according to one advisor. Another staff person said the information gathered during intake, including on participants' backgrounds and progress to date on their businesses, was helpful in deciding the amount of one-on-one assistance and classroom training the participant needed. Regarding monthly follow-up, one advisor used the meetings to help participants in whatever ways they needed and let them determine the meeting content. Another advisor commented that the conversations that occurred during the monthly follow-up meetings were different depending on each participant's status in their business development, but always included reassessing progress. Staff did not comment on any challenges of offering tailored services.

6. Were there other services that service providers thought could have been helpful that were not available to participants, or that the service providers could not provide?

Near the end of implementation, during the telephone interviews, staff from five of the service providers commented that there were no services that would have been helpful that were not available to participants. Advisors from two service providers said that if their provider organization did not offer a particular service, they could refer participants to an outside resource. Those staff who did think there were services that were unavailable offered several examples, such as basic personal financial

⁹ The SET program model specified that early terminations would be irreversible; however, exceptions were sometimes made depending upon participants' individual circumstances, including personal illnesses or hardships.

management training, transportation, professional coaching, mental health services, advanced bookkeeping training, a business plan workshop, and mentors.

7. What topics did service providers provide technical assistance on? What were service provider perspectives on the technical assistance provided? Was it useful?

During both the site visits and telephone interviews, staff at the service providers reported providing technical assistance on a wide range of topics, with a few topics being mentioned more commonly than others. The most commonly mentioned topics were accounting and financials, business plan development, lending and financing, websites, and marketing. Other topics included business registration, credit counseling, legal assistance, pricing, and sales.

During the telephone interviews near the end of implementation, staff at all nine of the service providers said that the technical assistance provided to participants was useful. According to one advisor, technical assistance was useful because it was tailored to each participant's business and business plan. Another advisor said technical assistance helped with tasks the participants could not complete on their own or would be challenging to address on their own and also helped participants progress more quickly than they would have otherwise.

8. What challenges and lessons learned did service providers report about technical assistance? What would they keep or change?

Staff at a few service providers shared some challenges and lessons learned about technical assistance during the site visits. One advisor said providing technical assistance on sales generation was challenging because few SET participants had experience in sales. Combining classes with one-on-one technical assistance helped participants use meetings more productively by focusing on areas in which they needed the most help, according to another advisor. One advisor commented that participants appreciated the structure of the one-on-one technical assistance meetings and the homework they received.

9. Were recommended classes based on the individual's experience and stage of business development?

During the site visits, staff at several service providers reported that they recommended classes to participants based on their individual experience or stage of business development. For example, one advisor who learned that a participant was having trouble understanding the financial aspect of the business plan referred the participant to an on-demand class on financial basics. Another staff person mentioned recommending specific training classes to participants as part of their individualized service plans. Recommending classes to individuals based on their experience or stage of business development was mentioned by staff at several other service providers. For instance, staff at one service provider said that they referred all SET participants to the same suite of classes, including a business fundamentals class and a training session on website development, but also referred participants in need of personal financial training to free classes available in the community. Staff at

another service provider mentioned that they required all SET participants to take a business fundamentals course to access the seed capital microgrant, but allowed participants to opt for another class if they were more advanced.¹⁰

10. What were the class or course topics? Which training topics did SET participants need or opt for?

During the site visits and phone interviews, provider staff reported offering many class topics to SET participants, with a few being commonly offered. Most service providers offered a business fundamentals or business basics class and many providers offered a marketing class. Several service providers offered accounting and financial classes, QuickBooks training, and social media classes. Other training topics offered included pricing, operations, Microsoft Office, websites, credit counseling, record keeping, and financing. Earlier in implementation, SET provider staff offered several other examples of training topics that SET participants needed or opted for during the site visits. Staff at a few service providers said that participants needed website development training and business basics classes. Other topics included cash flow analysis, Microsoft Office, QuickBooks, search engine optimization, social media, personal credit, and marketing.

11. What were the service provider perspectives on the classes or courses offered? Were they useful?

During the telephone interviews near the end of implementation, staff at all but one service provider (eight of nine) thought that the classes were helpful to participants. According to one advisor, participants found the business fundamentals class offered by the service provider to be extremely valuable. Another advisor said the classes were helpful in providing participants with a general overview of topics. The collaboration and cohort feel of classes was also highlighted as a benefit to participants by several advisors. One advisor thought the service provider's online training options were particularly helpful for participants who were unable to attend workshops in person during scheduled times. Staff at the one service provider that thought the classes were not helpful said the classes had less of an impact because the content was not tailored to individual business needs.

12. What challenges and lessons learned did service providers report about offering classes or courses? What would they keep or change?

During the site visits, staff at the service providers offered several lessons learned and a few challenges about the classes or courses offered. Staff at many service providers felt that participants should take a basic business workshop because of the similarities in participant needs and gaps in understanding. They believed that the classes could efficiently fill these gaps in participants' knowledge. However, staff at several service providers felt that attending classes alone was not enough for participants to progress or that the one-on-one assistance was more important than attending classes. At the same

¹⁰ Service providers were allowed to establish their own eligibility requirements for seed capital microgrant access, in addition to the program requirements of program engagement, registering a business, and completing a business plan.

time, several staff also felt that classes could help to reinforce the one-on-one or technical assistance. Multiple staff suggested that the classes should focus specifically on business plan development. One challenge was that participants did not always attend classes, even when they should, according to a few staff members. Other challenges included the following: (1) some class topics were too expensive to offer for free to SET participants, (2) not all participants were suited to learning in a classroom setting, and (3) some participants focused too much on completing classes and not enough on developing their business idea.¹¹

13. Did the service providers support participants who were in need of start-up capital or funds for business growth in locating and applying for financing? Did participants receive funding and from what kinds of sources?

During both the site visits and phone interviews, staff at most of the service providers reported providing support to participants who needed help locating or applying for financing. In addition, some participants received funding, according to staff at most of the service providers. Staff said that participants received many different kinds of funding, with a few kinds being more commonly mentioned. The most commonly mentioned type of funding was from individual investors, followed by individual development accounts (IDAs) and microloans. Grants, funding from friends and family, and credit building loans were also commonly mentioned.

14. What barriers did participants face in getting funding?

During both the site visits and telephone interviews, staff at the service providers reported many barriers that SET participants faced in pursuing funding, with some barriers being more commonly mentioned than others. The most commonly mentioned barrier was bad credit, followed by being a start-up and lacking income and assets. Other commonly mentioned barriers included SET participants having too high of an income to qualify for an IDA program, being unemployed, not having collateral, not having 20 percent equity for a loan, and not having enough sales from their business.

SET seed capital microgrant

15. How useful were the SET seed capital microgrants in helping participants establish or grow their businesses?

Over time, staff at most of the service providers found the seed capital microgrant to be at least somewhat helpful to participants. Several staff stated during both the site visits and the telephone interviews that the seed capital microgrants enabled participants to buy needed supplies and equipment. Staff also said that participants would not have been able to start their business without the supplies and equipment they were able to purchase with the microgrant. One advisor commented that the process of deciding how to spend the microgrant was a helpful exercise for participants to

¹¹ As part of the SET model, service providers were expected to offer at least a business basics or fundamentals class to SET participants for free. The cost of other classes were either free or discounted for SET participants, and varied by provider.

think about projections. The microgrant also helped to motivate participants to complete their business plan and engage in the program, according to several staff. One director of a service provider organization found the microgrant to be helpful as a means to encourage participants to obtain certain milestones. An advisor at the same provider thought the microgrants, although small, helped participants and were well spent. The SET advisors who found the microgrant to be only somewhat useful commented that it was not a large enough amount to motivate participants to finish their business plans or to pay for their start-up needs.

16. What challenges did participants face that precluded them from becoming eligible for the microgrant?

At the time of the site visits, service provider staff identified several challenges that participants faced in meeting the milestones to be eligible for the seed capital microgrant. Staff from multiple providers said participants found it difficult to complete their business plans. Staff at several of these providers identified the financial projections section of the plan as being particularly difficult for participants to complete; one staff person said the market research element of the plan was particularly difficult. One staff person also mentioned not having enough money to register the business as a challenge for some participants.¹²

17. Did SET seed capital microgrants facilitate business investment that might not otherwise have occurred or did participants use them for expenditures they would have incurred anyway?

During the site visits, service provider staff had varying opinions on whether the seed capital microgrants facilitated business investments that might not otherwise have occurred. Staff from one service provider said the microgrant facilitated new business investment, while staff from a few other service providers said it did not—we even observed this split within one service provider organization, with different advisors holding opposite viewpoints on this question. One SET advisor who held the former view said that participants were often in financial trouble and would not have had \$1,000 of their own money to invest in their businesses. Another staff person did not believe that participants would have had the money themselves or been able to get it elsewhere. On the other hand, a staff person who said the microgrant did not facilitate new investment said participants would have made the same purchases without it—but paying for those purchases would have been more difficult. If participants were motivated, they would have made the purchases on their own, according to one advisor. Some participants also had access to other resources and could have made the purchases either way, said another advisor.

¹² When service provider staff advised the study team that paying to register a business would be an extreme hardship for a particular SET participant, the study team would make an exemption for the participant having to meet this criterion. Part of the microgrant could then be used to register the business.

18. What challenges and lessons learned did service providers report about the SET seed capital microgrant? What would they keep or change?

Staff at the service providers offered several lessons learned and challenges about the microgrant during the site visits. Although many staff mentioned benefits of the microgrant (summarized earlier in this section), staff at multiple service providers said the microgrant may have attracted participants who were not truly interested in self-employment as a reemployment strategy. A few other staff said some participants tried to take advantage of the microgrant opportunity. Staff at multiple service providers also said the microgrant amount was insufficient to meet the needs of many participants. Several other staff said participants engaged less with the program after receiving the microgrant.

D. What did it take to attract and serve SET participants?

To better understand what it takes to make a pilot program like SET operational, we asked service provider and workforce partner staff for their opinions on how the SET program was run. We asked them about a range of topics, including start-up and service delivery challenges; program procedures, training, and technical assistance from the study team; and the effectiveness of the recruitment strategies. The findings in the first three sections draw on the same sources (site visits and interviews with service provider staff) as the earlier parts of this appendix. The findings in the last section draw on site visits and telephone interviews that we conducted with local workforce and state UI staff in the four SET sites to learn more about their experiences in assisting with recruitment and how recruitment could have been improved.

Program start-up and service delivery**1. Did service providers face program start-up challenges?**

Earlier in the implementation period, during the monthly check-in calls with the study team and the site visits, staff at the service providers shared several start-up challenges that they faced. Most of these challenges were related to intake, the provision of work-search waivers, and using the SharePoint site that served as the study's MIS. Staff at one service provider said it was unclear whether certain documents would count toward verifying participants' dislocated worker status; another mentioned not understanding staff responsibilities for following up with participants. One staff person said several participants were having trouble accessing work-search waivers; staff at two other service providers said that they did not understand the guidance about work-search waivers and were not able to share the information with all participants. Staff at two service providers said that the low number of participants initially assigned to them was challenging. As a result, one service provider had to dedicate fewer resources to SET than anticipated. Staff at the other service provider could not provide certain group services that they had planned to offer because of the low number of participants. Instead, staff provided more individual-level assistance. During monthly check-in calls, staff at two providers noted that not having enough assigned participants continued to be a challenge.

2. What ongoing service delivery challenges did service providers face?

During both the site visits and telephone interviews, staff at the service providers cited several ongoing service delivery challenges. During the telephone interviews near the end of implementation, the most commonly cited challenge by staff at the majority of the responding service providers (seven of nine) was a lack of participant engagement. Staff mentioned that participants were not responsive to emails and telephone calls and would not schedule or keep meetings, particularly for monthly follow-ups and quarterly reassessments. Staff at two service providers faced ongoing challenges involving work-search waivers, with staff at one of the providers saying that the state's waiver rules frequently changed and that participants sometimes had trouble finding correct information. Finally, staff at one provider mentioned general problems with using SharePoint.

Earlier in the implementation, during the site visits, staff at two service providers described ongoing challenges with the participants' monthly follow-ups. Staff at one of the providers attributed this to several factors, including staff capacity and turnover, difficulty working with SharePoint, and not understanding that they had permission to co-enroll SET participants in the organization's SBDC program.¹³ Staff at the other provider attributed challenges to having incorrect contact information, which made it difficult to get in touch with participants. In addition to challenges with monthly follow-up, staff at another provider said that participants were struggling to complete their business plans. To address this problem, the service provider created a specific training course to help participants write their plans.

3. What SET services were particularly hard to implement?

Near the end of implementation, during the telephone interviews, staff at two service providers said they did not find it hard to implement any program services, while staff at the majority of other service providers cited at least one service that was particularly hard to implement (one provider did not respond). Staff at three service providers said that conducting monthly follow-ups and quarterly reassessments was hard, with some specifically mentioning difficulty in scheduling meetings with participants, particularly unengaged ones. Staff at one service provider said that tracking when monthly follow-up was due was challenging given the high number of participants, while staff at another provider said the in-person requirement for reassessments posed a challenge. One staff person felt the reassessments were not always appropriate when participants needed technical assistance or help with an urgent issue. Staff at three providers said that work-search waivers were challenging to implement (primarily because they were external to SET and run by state unemployment offices) and could be confusing for both participants and advisors.

¹³ This staff person said that without being able to co-enroll participants, the organization faced challenges in dedicating sufficient resources to the required monthly follow-up. However, service providers that had SBDC or WBC status were allowed to co-enroll or co-register participants in these services. This misunderstanding was clarified by the study team.

Program procedures, training, and technical assistance from the study team

4. What were the providers' overall assessments of program procedures? What other support could have been provided?

General procedures. Early in implementation, during the site visits, staff at several providers commented that they thought the SET procedures were appropriate and working well. For example, one staff member said SET invoicing compared favorably to procedures required by other funders. These comments were echoed during the telephone interviews by staff at four of the providers.

However, some staff pointed out some procedural challenges that they experienced or that could serve as lessons learned. Staff at one provider said that having business plan completion serve both as a provider payment benchmark and a microgrant requirement could be problematic because it could incentivize service providers to approve business plans that were not adequate. (For more detail about the payment structure, see Chapter VI.) Staff at this provider also thought the guidance, procedures, and time frames on terminating participants were burdensome because of the effort it took to follow up with unengaged participants. During the telephone interviews, staff at two providers said they thought the invoicing procedures could be improved. One staff member said the requirements to invoice for quarterly reassessments were problematic because the provider could not bill for reassessments held with participants who had been unengaged in the months before the reassessment. According to staff at another service provider, when monthly payment amounts were lower towards the end of the implementation period, the invoicing process became too burdensome relative to the payment amount.

SET procedures manual. During the site visits, staff at several service providers said the SET procedures manual (Amin et al. 2013), which detailed all program procedures in writing, was helpful. Some staff said they used it to refresh their memory or to complete specific tasks, such as reviewing microgrant requests. Staff at a few providers offered suggestions to improve the manual, including adding more context to help someone new to the program and using simpler terminology.

Technical assistance from the study team. During both the telephone interviews and site visits, staff at several service providers said the technical assistance they received from Mathematica was helpful or very helpful to them, while a staff member at one provider needed more support. A key indicator of staff satisfaction was how quickly they felt the study team responded to questions. The staff member at the service provider who needed more support also desired faster responses from the study team. Other service provider staff said they appreciated the quick responses they received. Staff at one provider said the technical assistance helped them with understanding SharePoint and offering work-search waivers. During the telephone interviews, staff at one provider said they followed Mathematica's guidance and terminated unengaged participants more quickly, which made implementation less burdensome. Another service provider said Mathematica was helpful in resolving problems that participants had with accessing work-search waivers.

At the end of implementation, during the telephone interviews, staff from six providers said they did not need additional assistance from Mathematica while implementing SET. Staff at one service provider said they could have benefitted from more help from the study team, specifically regarding the problems that participants had with accessing work-search waivers. Two providers did not respond.

5. What were providers' experiences with using SharePoint to meet program reporting requirements and to track participants?

Staff at all of the service providers described challenges with using SharePoint at the time of the site visits, and all but one did so during the telephone interviews. However, staff at several service providers commented during the site visits that some issues had improved since the start of implementation. Staff also provided examples of support that was helpful in using SharePoint and they suggested improvements. During the monthly check-ins, the most commonly discussed challenge was the use of SharePoint, with staff at all but one service provider mentioning at least one issue involving data entry, tracking participants, or navigating the system.

SharePoint structure and mechanics. During the site visits, staff at many providers found the structure and mechanics of the SharePoint site to be burdensome. Staff commented that the dispersal of participant information across multiple parts of the site caused difficulties because it was impossible to access an entire participant record in one screen. Because of this issue, one staff member said SharePoint did not provide a useful picture of participants' status or progress. Many staff also found the mechanics of updating or interacting with the site difficult, describing it as "clunky," "confusing," and not "user-friendly." In addition, staff at several service providers said the website sometimes had technical errors or glitches. One staff person had trouble reading text on the SharePoint site, making it difficult to use.

Staff noted that these challenges created an extra burden for them. Staff at one provider noted that this was particularly burdensome because other aspects of SET left them limited time to enter data into SharePoint. Staff at only one service provider found it easy to complete the SharePoint reporting and said it allowed them sufficient time to work with participants.

Related to these challenges, staff also found it difficult to track information about participants. Staff from six service providers created alternative systems (usually Excel spreadsheets) to track participant information in addition to using SharePoint. Despite this, some staff, including administrative staff, at a few service providers stated that SharePoint was user-friendly or easy to navigate and populate. Staff at a few service providers also said that it was easy to copy and paste notes about participants from another organizational reporting system into SharePoint.

Participant tracking. During the telephone interviews at the end of implementation, staff shared their experiences with tracking participants over time. Staff from a few providers found it difficult to keep track of all of the interactions with or services provided to participants; a few staff found it difficult to track such a large number of participants. Staff from several providers also mentioned that

tracking unengaged participants was more difficult. On a positive note, staff from a few providers said SharePoint was helpful in following up with participants and tracking engagement. During the telephone interviews, staff at one service provider said having an administrative support staff person dedicated to entering data into SharePoint made reporting and tracking easier.

Suggested improvements and support. Near the end of implementation, during the telephone interviews, service provider staff offered several recommendations for improving SharePoint. These included improving the interface to be more user-friendly, adding functions to help filter or view data, adding reminders for required future events such as quarterly reassessments, streamlining the data entry process, and organizing the site by participant so that a participant's entire record could be viewed in one location.

Given the difficulties of using SharePoint earlier on, staff at several service providers discussed the role of study team support during the site visits. Staff at several providers said that Mathematica's support in demonstrating the features of SharePoint or sharing instructions made it easier to use the site. However, staff at a few providers said they would have liked more guidance.

6. What were the providers' assessment of the payment amounts?

During telephone interviews toward the end of the program, staff at six of the service providers said they found the program payment amounts to be too low to cover the total cost of providing services to SET participants. Staff at two service providers said the payment amounts were adequate for covering the costs of their direct work with SET participants (including, training, technical assistance, and advising) but not for covering their associated indirect costs (including, the cost of administrative staff and organizational overhead). However, staff at both of these organizations reported that the study team provided them additional funds to cover these costs. Staff at one of these providers also noted that the organization made changes to how it conducted monthly follow-ups by using more telephone calls than in-person meetings, which saved time and therefore helped the funding go further. Staff at two other providers said the payment amounts were generally too low to cover the cost of services being provided to SET participants. Staff at a third provider said the payment amounts were too low given the time-consuming and therefore expensive nature of delivering the case management model. Staff at only one provider found the payment amounts to be adequate. Two other providers did not respond.

7. What were the providers' assessments of the staged nature of the payments?

During the telephone interviews, no staff from the responding service providers (six of nine; three did not respond) disagreed with the idea of staging the payments. However, staff from only one service provider said that they explicitly preferred the structure. This person said the staged payments demonstrated to the organization's leadership how much revenue was being generated over time from participating in SET. Staff at several providers recommended changes to the payment structure. Staff at two providers recommended that payments be better aligned with the effort put in by the

organization and the progress made by the participant, even in cases when participants fell short of milestone completion—for example, one staff member said that providers should be paid even when participants did not complete business plans because the service provider still provided ample support to that participant on the plan. Staff from the other provider also suggested better linking payments to activities that would most benefit participants (but did not offer examples of such activities). Staff at one provider suggested increasing payment amounts for business plan completions and quarterly reassessments, while staff at two providers suggested adding a payment for completing the full 12 months in the program.

Recruitment strategies

8. What was the response of the target population to SET program outreach? How did this vary across workforce agencies and sites?

Level of interest. During site visits with the workforce partners, staff anecdotally reported a relatively small share of customers expressing interest in SET, although we observed some variation by agency and over time. Estimates across sites and agencies ranged from little to no interest to a handful of inquiries per week or month to up to 25 percent of customers attending an orientation and inquiring about SET afterward. Staff also shared that interest varied over time. Staff from one agency said that more people showed interest around the time of the launch of the program than at the time of the site visit. In another site, a staff person said interest waned during the winter, but spiked in January due to New Year’s resolutions.

Staff provided a few reasons why workforce clients may not have been interested in SET. One staff person said that many customers wanted to return to wage and salary employment as soon as possible and were not interested in starting a business. Another staff person said workers with more skills or who were older and closer to retirement were less likely to pursue self-employment due to the risk involved.

According to staff, people who were interested in SET came from a variety of backgrounds and experiences. One staff person said customers with the strongest interest in SET were those with a long-standing desire to start a business. Another said those most interested could not return to their line of work and thus were turning to self-employment. Similarly, people who had just received or were about to receive their final UI benefit payment responded positively to hearing about the program, according to a staff person in another site. One staff person said many people with low incomes who were not dislocated workers were interested in SET, but were not eligible to apply. Staff at another agency reported receiving interest from people who wanted to change their line of work, and therefore, would also have been ineligible. One staff person said workers with managerial experience were more likely to be interested in SET; another noted that interested people came from a variety of industries, but ones that tended to be service-focused as opposed to producing and selling goods.

Reactions to SET. During site visits, staff reported that the target population had both negative and positive reactions to SET. According to some workforce center staff, potential applicants had several concerns about the SET application process. These included being nervous about asking questions via email and viewing the orientation and applying online because of limited computer skills and experience, being intimidated by the application length, and being concerned about taking the time to apply but not qualifying as a dislocated worker. Other concerns included having to submit a business plan as part of the application (although not required, this concern was reported in two sites) and not being selected through the random assignment process after putting in the work to apply and submitting sensitive personal information (also reported in two sites). In three sites, staff also reported that applicants thought the seed capital microgrant was too low to help them start their business. Outside of the program itself, staff also found that applicants were concerned about the risks associated with starting a business—such as, not having enough resources, not earning enough income from the business to support themselves before their UI benefits ran out, and the time and effort it would take to establish a viable business. In addition to these concerns, one staff person said that many customers are suspicious of any program’s potential to help them succeed, especially ones that are new and lack a reputation of helping people.

On the positive side, staff in two sites said the idea of receiving personalized technical assistance, especially help with business plan development, appealed to many potential applicants. A staff person in one site also said that the microgrant appealed to some potential participants as a “basic” amount for start-up expenses. Staff in one site said that when they described the SET program, customers were often excited or interested. One staff person also mentioned that being able to achieve self-sufficiency through self-employment appealed to customers.

9. Which outreach methods and strategies appeared to be most effective?

Workforce system staff identified several outreach methods and strategies that appeared to be effective or helpful during the site visits. Staff in a few sites had mixed opinions about the physical SET outreach materials—the posters, flyers, and brochures—with some saying they were appealing to customers and others saying they were less engaging than other methods, such as email blasts. Staff in several sites commented that making these materials available in the workforce centers and linking to the SET website on public computers in resource rooms was helpful in informing applicants about SET. Similarly, one staff person said that directing people to the resource room computers seemed to be an effective outreach strategy for encouraging customers to fill out the application. Staff at two sites said that discussing SET during workforce center orientations was helpful for outreach; one staff person said this seemed to spur interest.

During telephone interviews conducted with workforce system staff in one site, staff described email blasts sent by the state UI office as a very effective outreach method. Staff noted that the emails reached a large number of people who were receiving or had recently exhausted UI benefits (and were therefore eligible as dislocated workers). As the blasts progressed over time, the staff expanded the recipient pool to those with longer unemployment spells, saying this approach seemed to reach

people more likely to consider self-employment after having difficulty returning to wage or salary work. Staff also noted that emails seemed to be effective because they contained a short message with keywords and links to more information, but no attachments that the recipient would have to download. Because the emails came from the state UI agency, which distributes UI benefits and provides information to the target population, one staff member thought that they were more likely to be read by recipients. Having an effective email subject line was noted as an important element to attract customers' attention and convince them to read further.

10. What challenges did providers face in conducting outreach for SET?

Workforce system staff described several challenges they faced in conducting outreach for SET during the site visits. In one site, a staff person said that although many customers found out about SET from resource room materials, they often viewed the orientation and applied at home. Therefore, staff were unable to answer questions or provide assistance during the orientation and application process. Another staff person in this site said that staff did not sit down with people to go through the orientation or application; doing so might have encouraged potential participants to apply. Staff also observed that some workforce center orientations that included information about SET had low attendance; workshops designed to help people apply to SET (held in two sites) also attracted little interest. According to one staff person, customers who expressed interest in SET did not return to the workforce center to get help applying; those who did often showed up unprepared to complete the application.

Some challenges shared by staff were not specific to SET. One staff person said it was difficult in general to encourage customers, especially dislocated workers, to engage with workforce system programs. In Portland, which was the one site with an active SEA program, a staff person thought that promoting SEA could help increase interest in SET, but information about the SEA program was not prominently featured on workforce center computers.¹⁴

During the telephone interviews, staff from one site pointed out some challenges using email blasts and robocalls as outreach methods. Staff said that communicating too frequently could be counterproductive, noting that sending emails quarterly instead of monthly avoided overwhelming people. Staff also observed that preparation for sending the email blasts was somewhat time intensive for agency staff. This agency also conducted mass robocalls to advertise SET, but staff said that this approach reached fewer people than the email blasts because the agency's automated dialing system had capacity constraints.

¹⁴ Self-Employment Assistance (SEA) programs are intended to give unemployed workers the option of becoming reemployed by starting their own businesses. SEA programs allow people eligible for Unemployment Insurance (UI) who meet SEA program requirements to receive a weekly self-employment allowance—equal in amount and duration to regular UI benefit— while they are setting up their businesses. SEA program participants are also exempted from actively seeking jobs so they can focus on their self-employment activities.

11. What factors facilitated and impeded the implementation of SET outreach efforts?

Workforce staff named several factors that facilitated SET outreach efforts during the site visits. In two sites, staff said the SET procedures manual and training led by members of the study team were helpful. One staff person also said the helpline worked well, while another said meeting in person with members of the study team (during a site visit) helped them better understand SET procedures and how the program benefited participants. In two sites, staff emphasized the importance of having workforce system leaders prioritizing SET outreach. In one of these sites, supervisors trained frontline staff and ensured that they studied the SET outreach materials, including watching the online orientation. In the other site, leaders emphasized the importance of conducting outreach for SET and communicated within the organization about SET outreach. Finally, the infrastructure and relationships among the workforce system aided outreach efforts, according to staff members in one site. They cited the close relationship between the state UI office and the workforce agency as well as the extensive network of workforce centers and community partners spread throughout the site, including larger centers that had more staff and customers. As an example, they said that many people came to the workforce centers to learn more about SET after receiving an email blast from the state UI office.

During the site visits, workforce system staff also named several factors that made it more difficult to conduct outreach. In one site, a staff person said it was difficult for staff to effectively recommend SET to customers because they had limited knowledge of the program themselves. In particular, not being able to discuss the service providers that participants could receive services from (due to the SET study design) made it difficult to promote the program because staff could not discuss the organizations' qualifications and strengths. Another staff person said that, historically, the workforce centers have not been involved with self-employment efforts, which made it difficult for them to promote such a program. In the same site, one staff person said the dislocated worker eligibility requirement made it difficult to recruit because of the limited pool of eligible applicants. In two sites, staff felt the workforce system had limited capacity to conduct more active outreach. Buy-in was also challenging, according to another staff person, who indicated that staff did not know how or whether their efforts were translating into applications. Not having frontline staff attend the study team–led training made it more difficult for the agency to promote the program, according to another staff person.

12. What additional outreach activities and steps should have been conducted?

During the site visits, workforce staff suggested a wide variety of additional outreach activities that could have been conducted. Staff in three sites recommended mailing or distributing more outreach materials—such as brochures, postcards, and business cards—some of which were then designed and distributed by the study team. Staff also recommended designing outreach materials to be brief and to the point in order to avoid overloading participants with information, as well as using videos and other visuals. Staff in three sites also suggested incorporating testimonials or examples of success stories in the outreach materials. One staff member suggested having some of the first participants

to successfully complete the program talk about their experiences at orientations for potential applicants. Staff also suggested sharing data about participants' successful outcomes in SET as well as providing examples of the types of businesses that could be started and the uses for the microgrant.

One staff person suggested conducting more robocalls, while a staff person in another site recommended making live telephone calls to potential applicants. In two sites, staff recommended conducting robocalls or sending mass emails to previously unused lists of potential applicants. Staff in two sites also recommended ensuring that relevant workforce-related websites posted information about SET and advertising SET through the workforce system's social media outlets, such as Facebook or LinkedIn. In one site, staff suggested conducting additional outreach to the workforce system's community partners and asking for referrals, especially from organizations involved with self-employment efforts.

Other recommendations centered on better reaching customers who were already receiving services from UI offices or workforce centers. These included (1) displaying information about SET on television screens in these locations, (2) making sure that the SET website link was available on computers that customers used, (3) having staff proactively discuss the SET program with potential applicants, and (4) engaging previously uninvolved staff such as UI agency staff who were colocated at workforce centers in outreach activities. In three sites, staff also suggested conducting special in-person orientations focused on SET. (These were pursued in two sites. In one of those sites, staff interviewed by telephone toward the end of SET said that the in-person orientations had been effective). Staff in one site suggested designating one or several staff members to be experts on SET to answer questions from potential applicants.

During the site visits, staff also mentioned several outreach strategies that Mathematica could attempt outside of the workforce system. Most of these involved advertising SET in more locations in the community and partnering with organizations that work with or might be frequented by dislocated workers. These organizations include community colleges and universities with business programs; public libraries; offices of political representatives; agencies that promote self-employment; and chambers of commerce, business districts, and organizations promoting entrepreneurship. Staff in one site recommended conducting a mass media campaign through billboards, television, and radio ads. Another staff person recommended advertising through smaller, community newspapers. (Our study team pursued some, but not all, of these options. See Chapter VI for a detailed discussion on outreach efforts.)

13. What other changes could have been made to the overall approach and emphasis of the SET outreach activities?

During the site visits, workforce staff also recommended different ways to emphasize the specific program components. In one site, a staff person said outreach efforts should emphasize the training and other services that participants would receive, but not the microgrant, because people tended to think the microgrant amount was too low. In contrast, staff in another site suggested emphasizing

both the training and the microgrant because they were the most attractive program elements. In two sites, staff suggested that outreach should proactively address concerns about not having enough time to start a business before UI benefits run out by including information about how quickly participants can get started in the program.

Some staff also made recommendations about changes to the SET program design that would have made the program more attractive to a larger audience. One staff person suggested widening eligibility beyond dislocated workers, while another suggested using a “catchier” name to better describe the program and pique interest. In one site, one staff person said that workforce staff should be allowed to give information about the service providers, so they could attest to the organizations’ qualities and benefits when talking with potential applicants. A staff person in another site suggested jointly advertising available state or other funding for entrepreneurs along with the SET program. Finally, in two sites, staff mentioned that increasing the seed capital microgrant amount could help attract more applicants.

14. How could Mathematica have improved its support of outreach partners for the SET program?

Workforce staff discussed several areas where they needed more support from the study team during the site visits. Many recommendations involved supporting workforce staff who interacted directly with potential applicants. Staff in three sites said it would be helpful if Mathematica emailed these staff with updates about outreach and progress in enrollment. They also recommended conducting training on SET for these staff. Staff in one site that experienced particularly low enrollment made several suggestions, including clarifying the activities that workforce staff should conduct for outreach, creating a process for staff to easily relay questions from potential applicants to the study team, providing a test application that staff can use to help customers fill out their applications, and providing scripts and materials for SET-specific orientations. Another staff person said it would be helpful to have a workforce staff liaison for all workforce centers to discuss how the centers can better promote the program. In three sites, staff asked for more outreach materials, such as brochures and posters.

APPENDIX F:

ANALYSIS OF INTERVIEW DATA ON PARTICIPANT PERSPECTIVES ON SET

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This appendix provides additional information about SET participants and their perspectives about the pilot program. The main data sources for this analysis were the case study interviews, which were conducted in three rounds: Round 1 took place in May and June 2015; Round 2 in August and September 2015; and Round 3 in February, March, and April 2016. The timing of these data collection rounds corresponded roughly with when participants entered the program—participants who enrolled earlier were interviewed in Round 1, those who entered at midpoint were interviewed in Round 2, and those who enrolled in the latter part of implementation were interviewed in Round 3. In total, 36 participants were interviewed using a semi-structured interview protocol (see Amin et al. 2017). Given the nature of the data collection approach, not all participants responded to every question. Frequencies and percentages are reported out of the total sample of 36 respondents, unless otherwise noted.¹⁵ For more information about how these data were collected and analyzed, see Appendix B, Part II.

The remainder of this appendix is structured as follows: Section I provides details about the SET participants and their businesses. Section II explores whether participants found SET as a whole to be useful, their opinions about the program, and the challenges they faced in starting their businesses. Section III provides details on the specific services that participants received and the participants' perceived usefulness of these services. Section IV discusses participants' views on the operational aspects of SET and their thoughts on how SET could be improved.

I. WHO PARTICIPATED IN SET?

To learn more about whom the SET program served, we asked SET case study participants about their motivations for applying, the businesses they wanted to start, and how their past experiences related to these businesses. We also asked about their progress in starting their businesses and any support they received in doing so before joining SET. This information is summarized in Chapter III.

1. Why did SET participants decide to pursue starting their own business?

SET participants had some common reasons for why they decided to start their own businesses. The majority of participants interviewed (67 percent) wanted to pursue starting a business because they were having difficulty finding employment. Several participants (14 percent) mentioned that being older was a barrier to finding employment or that it was difficult to find a job that was a good fit for their skills or interests (14 percent). Other common reasons were that starting a business was something they always wanted to do or something that they had been thinking about for some time (36 percent). Some participants wanted a job that they enjoyed or was a better fit for them than their last job. Several participants (33 percent) also mentioned perceived benefits that come with having a

¹⁵ Throughout the appendix, we anonymized participants, including their genders.

business, such as more flexible hours, being able to work from home, and having a better work-life balance.

2. What motivated participants to apply to SET?

Although SET participants (34 of 36) reported various factors that motivated them to apply for SET, three factors in particular appeared to be the main drivers. The majority (65 percent) of SET participants interviewed were motivated to apply to SET because of the help and resources they hoped to receive. About half of those participants were particularly interested in receiving mentorship and counseling. The second-most common motivating factor was the seed capital microgrant (38 percent). The third-most common factor was related to Unemployment Insurance (UI). Fifteen percent of participants interviewed stated they were motivated to apply to either keep their UI benefits while working on their business (through a work-search waiver) or because their UI benefits were running out.

Site differences were not detected among these factors, with the exception of reasons related to UI benefit receipt. Although UI benefit receipt was the second-most common motivating factor in Cleveland (57 percent), no participants in Chicago or Los Angeles mentioned it and only one participant named it as a motivating factor in Portland. Reasons related to UI was also the only factor that differed over time. Although 20 percent of participants said that receiving UI or having UI run out was a motivating factor in the first and second rounds, no one in the third round mentioned UI as a motivating factor, possibly because the economy had improved by the time later participants joined the program.

3. What types of businesses did SET participants say they were starting?

The SET participants interviewed were starting many different kinds of businesses, ranging from fitness studios and beauty salons, party equipment rentals, and offering tax services. A few common types of businesses were observed. A quarter of participants stated that they were starting a consulting practice, including marketing, education, and business consulting. Fourteen percent of participants were starting a business related to information technology or data services, including digital marketing and data management. Eleven percent of participants were starting businesses in the arts and entertainment field, including producing commercial art and writing and producing scripts.

4. How did the businesses relate to SET participants' past experience?

All but one of the interviewed SET participants had a very direct connection between their past experience and the business idea they were pursuing. Almost 40 percent of the participants had already been conducting the same type of work in which they were starting a business to consult on or teach that line of work, or to do the actual work on their own. For example, one participant had been doing taxes for others for 25 years and decided to open a private practice to do the same work. About one-third of the participants had done similar work to their business idea, but they were moving into a new business model. For example, one participant had spent many years working in traditional

marketing and wanted to start a business in digital marketing that would be a new, but related venture. Another 17 percent of participants were starting a business that related to their education. For example, one participant went to school to be a holistic health professional and wanted to open a holistic health business, but had not previously worked in the field. Other less common ways that businesses related to past experience included participants who reported doing the work on the side or as a hobby and teaching others to do the work.

5. At the time of application to SET, how far along were participants in starting their businesses?

Most SET participants (82 percent) stated that they were either at the beginning stages of their business development or had not yet started working on their business at the time they applied to SET. About a third of the participants interviewed described themselves as being at the infancy or beginning stages of starting their business. Twenty-two percent of the participants had been working on their business for a year or less at the time of their application; another 22 percent had not been working on their business at all. The rest of the respondents already had established businesses when they applied to SET or had been working on their businesses for 5 or 10 years.¹⁶

Almost two-thirds of the interviewed participants had already reached some business milestones at the time they applied to SET. A quarter of participants said they had registered their businesses, while 14 percent had drafted business plans. Another 14 percent already had clients. A few other participants stated that they were earning revenue, had created the product they planned to sell, or had a functioning website.

6. Had SET participants received help with starting a business before applying to SET?

Some SET participants (22 percent) had received help with starting a business before receiving SET services. The majority (75 percent) of these participants received services from Small Business Administration affiliates, such as a Small Business Development Center or SCORE. Others received help through online education, industry groups, or individual consultants.

The majority (63 percent) of participants who received help before entering SET said that SET provided better services for their needs. One participant said that SET was better for people who were serious about starting a business. Another participant said receiving one-on-one help was an advantage of SET and the type of assistance that she was unable to receive from another organization that she had worked with before SET. One participant mentioned that the other organization he had turned to for help required a fee just to talk with a staff person, as opposed to the free counseling that SET provided.

¹⁶ Applicants who had established businesses in the past or who were currently self-employed could qualify as dislocated workers if they had to close their business in the past due to economic conditions or a natural disaster or they could be considered underemployed.

A few participants found value from the other services they received outside of SET. One participant mentioned that the other program offered services in cohorts and this participant found the cohort model more beneficial than the individual support provided by SET. Another participant was able to gain marketing skills by attending online marketing classes outside of SET.

II. HOW WELL DID SET OPERATE?

Participants can provide important insight about whether and how the SET program as a whole worked for them. To understand these perspectives, we asked case study participants about the usefulness of SET, the benefits received, and whether they would have progressed similarly without SET. We also asked about the helpfulness of SET in addressing participants' current barriers and their thoughts about the program's strengths and weaknesses. In addition, to better understand for whom SET worked, we asked case study participants about the challenges they faced in starting their businesses. We explore participants' perceptions of specific SET services in more depth in Section III; this information is also summarized in Chapter IV.

1. Did participants find SET useful?

All interviewed SET participants found SET to be useful to some extent. No participants said that SET was not useful. Although 89 percent of participants said it was useful, four participants (11 percent) found some aspects of SET to be lacking. One SET participant said the seed capital microgrant was useful, but would have preferred more networking opportunities and tools. Another participant felt that SET was helpful only for new entrepreneurs. Lastly, one participant felt the classes and meetings with an advisor were helpful, but that some of the classes were too advanced and that the participant did not get sufficient support with developing a business plan.¹⁷

2. What benefits did participants personally receive from SET?

In total, SET participants reported receiving 19 unique benefits from participating in the program. The most commonly mentioned benefit was the one-on-one support and assistance from a business advisor (42 percent). The second-most commonly mentioned benefit was help with writing a business plan (25 percent). Other common benefits included gaining knowledge about how to start and run a business (22 percent), receiving the seed capital microgrant (22 percent), and networking with and receiving support from other participants through classes and training (22 percent).

3. Stepping back, what did participants think were the greatest strengths of SET?

Overall, responding participants (24 of 36) found SET to have 18 uniquely cited strengths, but a few were more commonly mentioned than others. The most frequently mentioned strength was the array of services, resources, and outside references provided by service providers (42 percent). This

¹⁷ This participant received services from a provider that was found to not be implementing the SET model with fidelity. This provider was no longer being assigned new participants by late 2014.

included classes, seminars, and guest lectures offered by the service providers. The second and third most frequently mentioned strengths (each at 33 percent) were the seed capital microgrant and the overall SET package of services. Other strengths included help with writing a business plan or the exercise of writing the business plan itself, receiving one year of support, and networking with other aspiring business owners.

4. Stepping back, what did participants think were the greatest weaknesses of SET?

Responding SET participants (29 of 36) also found SET to have 30 unique weaknesses, with a few weaknesses more commonly mentioned than others. The two most commonly mentioned weaknesses (each by 21 percent) were that the seed capital microgrant was not large enough and that the resources provided by the service providers were lacking. Regarding the resources, some participants found that there were not enough classes available or that the classes were too generic. One participant thought the referrals to outside contacts were too generic as well. Another commonly mentioned weakness was that the SET advisors lacked specific expertise (17 percent). One participant felt that some advisors lacked sufficient business expertise, while others thought the advisors did not have the expertise to help them with their specific business types, such as lack of knowledge of beauty salons or the high-tech industry. Other mentioned weaknesses included insufficient follow-up from the Mathematica study team about how participants were doing in the program, the location of some service providers being hard to get to, and not enough guidance about what participants should be doing on a monthly basis or what topics they should be learning about in the program.

5. Did participants think they would have made similar progress if they had not been in SET?

The majority (71 percent) of responding participants (34 of 36) did not think they would have made similar progress on their business if they had not been in the SET program. A few participants said there was a lot of information they did not know prior to being in SET, and they would not have been able to progress without the program. Others mentioned that SET helped them push further in creating their businesses than they would have on their own, while a few participants said they would not have written a business plan without SET. A few participants also said they would likely be in a regular wage and salary job if it were not for the program.

About one-fifth (18 percent) of the participants interviewed thought they would have made similar progress on their business without SET. However, half of these participants said the process would likely not have been as smooth as it was having been in SET or it may have taken them longer to progress.

6. Did participants think their service provider could help them address their current barriers?

Most SET participants interviewed (52 percent, out of 31 of the 36 total participants interviewed) thought that their service provider could help them address the barriers they were currently facing.

Participants stated that their provider could provide guidance on topics such as the participant's financial options, hiring decisions, and logistical challenges and also connect them with resources such as marketing classes and financial resources.

Yet, some participants (23 percent) were unsure about their service provider's ability to help them address their barriers. A few participants felt their provider could only be somewhat helpful because (1) the participants faced challenges that they thought they would need to work on themselves or (2) the provider did not have specialized knowledge about their business field or a specific issue they faced. Other participants were not sure if the resources they needed existed at the provider or if the provider had the level of expertise that they needed, such as providing guidance in marketing strategies, based on their previous experience with the providers.

Several other participants (26 percent) thought that their provider could not help them in addressing their current challenges. These participants said they were facing challenges that were personal, so they had to deal with them on their own (such as financial need). They also said that the provider did not have the expertise they needed (such as in social media) or the challenges had to be addressed by participants themselves (such as attracting clients).

7. What were the key challenges participants faced in starting a business before joining SET?

Before joining SET, participants reported facing seven different challenges to starting their businesses. A quarter of those interviewed mentioned facing challenges (9 out of 36), the most common being personal struggles mainly related to a lack of income (44 percent). The second-most commonly mentioned challenge was getting clients (22 percent). Participants also mentioned challenges such as not having the necessary support or knowledge about how to start a business and not having the structure of a business plan to help guide their process.

8. What were the key challenges participants faced in starting a business after joining SET?

After joining SET, responding participants (32 of 36) continued to face challenges in building their businesses that were similar to the ones participants cited before joining SET. The most commonly stated challenge was again personal struggles (28 percent), the majority of which were related to not having enough money. Participants also cited personal challenges such as unstable living situations, lack of personal support, inability to afford health insurance, and divorce. The second-most commonly mentioned challenge was getting clients or contracts (19 percent). Participants also mentioned lack of time to work on their business (16 percent) and marketing, particularly digital marketing (13 percent). Less commonly mentioned challenges included setting up a payroll and hiring employees, being paid on time, securing a business location, and dealing with taxes and accounting.

SET participants also discussed barriers related to obtaining financing for their businesses. Although the majority (79 percent) of those who responded (33 of 36) thought that funding existed for their

businesses, they identified several challenges to securing that funding. The most commonly stated challenge was not having the personal income or collateral needed to secure funding (18 percent). The second-most commonly stated challenge was needing their business to be established and operational before being able to obtain funding (15 percent). Some stated that they would need to have a record of income from their business before being approved for funding. Other challenges included having bad credit, needing to compete for grants or fellowships, and being a start-up that traditional banks may not be willing to lend to.

III. SET IN DEPTH: KEY FEATURES IN PRACTICE

The SET program had three key features: (1) case management, (2) intensive and tailored service delivery, and (3) the seed capital microgrant. To better understand whether these specific elements were helpful, we asked participants if they received these key features of the program as intended and whether they found the features to be useful. This information is summarized in Chapter V.

Case management

1. Did participants report receiving case management and was it received as intended by the SET model?

Case management in the SET model consisted of three elements: (1) in-person intake, (2) monthly follow-ups, and (3) quarterly reassessments. This section describes how participants received each of these elements and if they were received as intended by the model.

In-person intake. All interviewed participants reported attending an intake meeting with their service provider.¹⁸ Among those who provided feedback on the timeliness of their intake meeting (20 of 36), 70 percent reported that their intake happened within two weeks of being assigned to their service provider, as intended by the model. The rest of the respondents reported that their intake was less timely, saying that it took place less than 30 days after assignment, a full month after assignment, or between one and two months after assignment.

Participants reported discussing many topics during their initial intake meeting. The three most common discussion topics were the details of the SET program (67 percent), the participant's business idea (61 percent), and appropriate services (56 percent). Other common discussion topics were the business plan (33 percent) and the seed capital microgrant (28 percent). During their intake meetings, participants also received referrals to contacts; reviewed paperwork; talked about their professional backgrounds; and discussed basic business concepts, among other topics.

¹⁸ When selecting participants to respond to these interviews, we only selected among participants who had received services for at least five months, meaning that we did not seek to interview participants who never attended an intake. We did this to ensure that we interviewed respondents who had sufficient experience to comment on the program and its features. More details on our respondent selection process are found in Appendix B, Part II.

Monthly follow-up. The majority (75 percent) of SET participants interviewed received regular monthly follow-ups during their time in the program, as designed. About 40 percent of participants met with their SET advisor monthly and about 30 percent met with their advisor more frequently. Among those participants who reported not receiving regular monthly follow-up (25 percent), the majority (67 percent) received some follow-up but it was less frequent. For instance, some participants mentioned receiving follow-up on a quarterly basis. Only two participants reported that their advisors did not follow up with them at all or were not responsive.¹⁹ Two other participants mentioned that their own schedules did not allow them to hold follow-up meetings with their advisors at least monthly.

Participants reported that follow-ups with their advisors were conducted in person (67 percent), over email (58 percent), and over the phone (50 percent). Most participants reported using more than one of these modes of communication with their advisor. Only one participant reported using text messages to check in with her advisor.

SET participants discussed many topics and received various forms of support during their monthly communications. The most common activities were working on business plans (33 percent), receiving referrals to connections in the community (11 percent), and discussing how the business was progressing (8 percent). Participants also reported receiving tools and resources to work on their business; receiving referrals to classes; and discussing topics such as networking, financials, and marketing.

Quarterly reassessments. About half (53 percent) of the responding SET participants (30 of 36) reported having quarterly reassessment meetings with their advisors. All of the participants who received reassessments were located either in Chicago or Portland. No participants in Cleveland or in Los Angeles reported receiving quarterly reassessments.

2. Did participants' find monthly follow-up and quarterly reassessments useful?

Monthly follow-up. The vast majority (86 percent) of responding participants found the monthly follow-ups useful. Only four participants (14 percent) found them not useful. Several participants commented that the monthly follow-up meetings provided a source of accountability. Several others said the meetings helped to keep them focused and motivated to continue working on their business. One participant mentioned that it was helpful to have an objective person to talk to about the business development process; another participant appreciated talking with an advisor who had business expertise to supplement the participant's technical expertise. Two of the participants who found the monthly follow-up not useful thought the follow-up occurred too often. One of these participants said it was "juvenile" to have to follow up so frequently. One participant commented that the advice received was not helpful; another said there was not much the advisor could do to help the participant

¹⁹ These participants received services from two providers that were found not to be implementing the SET model with fidelity. These providers were no longer being assigned new participants by August and November 2014, respectively.

other than provide a minimal amount of advice because the participant had a background in entrepreneurship.

Quarterly reassessments. Only half (8 of 16) of the participants who reported receiving quarterly reassessments commented on whether they found them useful. Of those participants, all but one said they found the reassessments useful. Three participants mentioned that the reassessments were helpful in holding them accountable for following their plans and accomplishing tasks within a set amount of time. One participant commented that the reassessment was useful as an opportunity to provide feedback to the advisor about what resources would be more helpful. Another participant said the reassessment meeting gave the participant a “jumping point” from which to continue moving forward with the business. The one participant who did not find the reassessments to be useful commented that the meetings at least gave him an opportunity to provide feedback to the advisor.

Intensive and tailored service delivery

3. Were services tailored to participants’ specific needs?

About three-quarters of responding participants (31 of 36 participants total) felt that the services they received from their provider were tailored to their specific needs. For example, one participant shared a story of arriving very late to an appointment with his SET advisor and, as a result, receiving one-on-one time management coaching to help him prioritize everyday activities. Other participants commented that advisors referred them to contacts or services in the community that were specific to their businesses or referred them to classes that would meet their needs. As one participant put it, SET was “not a cookie-cutter situation.”

Those participants (26 percent, or 8 of 31) who did not feel that they received tailored services commented that they received more general information about starting a business. A few participants mentioned that their advisor did not provide guidance on the services they should receive.

4. Did participants receive technical assistance and on what topics?

Almost all responding participants (94 percent) said they received technical assistance while participating in SET. Technical assistance topics included writing a business plan, registering the business, marketing, hiring employees, taxes and finances, legal issues, credit repair issues, and networking. One participant reported reviewing different aspects of her business plan with her advisor and being referred to a contact at the local library, who could conduct market research for her business. Another participant received guidance on setting up a separate business bank account instead of comingling business and personal funds in one account. One participant was informed about how to become a member of the Chamber of Commerce so that she could attend networking events to attract potential clients and vendors, while being active in the community.

5. Did participants find the technical assistance useful?

The majority (78 percent) of responding participants (32 of 36 participants total) found the technical assistance that they received through SET useful. One participant explained that the one-on-one technical assistance sessions were helpful because the advisor was a good listener and would hone in on the areas of the business that the participant was having trouble with. Another participant said it was helpful to have the perspective of someone with business expertise but not expertise on the content of the business. This provided the participant with a “set of fresh eyes,” which gave him more clarity around the business and what was unique about it. One participant said working one-on-one with her advisor was like having a business partner. This participant said her advisor would not give advice, but instead information that allowed her to “go out and do the business.” Another participant said that it was helpful to work one-on-one with an advisor, who helped the participant implement lessons learned in business fundamentals courses taken at the service provider.

Several participants (16 percent) had mixed opinions about the technical assistance they received. One participant said working with a credit repair specialist was helpful, but working with a legal counselor was less helpful. This participant reportedly did not learn anything new and felt that the counselor actually needed educating. Another participant said the technical assistance was only somewhat helpful because she already had a business plan, and only received guidance on making sure the plan was sufficient for obtaining the seed capital microgrant. This participant did not receive guidance on referrals or how to grow her business. One participant said the technical assistance was too general and the advisor lacked counseling expertise.

A few participants (6 percent) found the technical assistance to not be useful. One participant said this was because her advisor was not responsive to emails. When the participant did receive a response to a draft business plan, the advisor responded that the plan was not sufficient but did not provide any explanation or guidance about how to improve the plan. Another participant said the technical assistance was not useful because it did not “make or break anything” in his business development process.

6. Did participants attend group classes, online courses, or formal trainings? What were the topics?

A majority (64 percent) of the participants interviewed stated that they attended classes and courses while participating in SET. The classes they attended were on a variety of topics, including business fundamentals, financials, QuickBooks and bookkeeping, writing a business plan, marketing, registering the business, obtaining credit, creating websites, writing contracts, and taxes.

7. Did participants find the classes or courses useful?

Of the responding participants (22 of 36 respondents total), the majority (77 percent) found the classes they took to be useful. One participant said the classes helped her understand what goes into starting a business. Another participant said the networking opportunities provided through the classes were most useful. One participant said a financial class in particular was helpful in understanding income statements and other financial elements needed for the business. Another participant took a course on writing contracts with an attorney and ended up working with that attorney to develop a contract for the participant's business. The participant stated that was really helpful because he would not have known how to find an attorney without the class.

Fourteen percent of the respondents said the classes were somewhat useful. One participant thought that the class she took was too advanced for her, and that the other students in the class were far ahead of her in starting their businesses. Two other participants thought the courses they attended were only somewhat useful because they already knew some of the information.

Nine percent of responding participants said the classes were not useful. One participant had already done the work that the course covered, which was researching competitors. Another participant said the class material was too basic because he already had experience with running a business.

8. Did participants receive referrals to outside organizations for training and other services? Were they useful?

The majority (65 percent) of responding participants (31 of 36 respondents total) said that they received referrals to outside organizations. Several participants said they found these referrals to be useful. For example, one participant was referred to a QuickBooks training that she found very useful. Because the participant was considering buying the software, the training helped her decide whether to purchase it. Another participant said the best resource he received was a referral to a research librarian, who showed him how to access databases from a home computer to research his business competition. One participant was referred to a law service to talk to a lawyer about patenting at a reduced rate; she found this information to be incredibly valuable. One participant, who did not find the referrals useful, said the information about whom to contact was too general. For instance, when this participant inquired about obtaining a referral to the public school system, where she wanted to offer after-school programming to students, her advisor gave her a general number available on the school's website instead of a specific person to contact.

9. Did SET participants apply for funding outside of SET?

The vast majority (87 percent) of responding participants (30 of 36 respondents total) did not apply for funding outside of SET. Only four participants said they had applied for outside funding. Those participants pursued external funding from grants offered by large retail organizations, grants offered by an innovations program, crowdfunding websites, and angel investors. One participant who received a grant from a large retail organization used the funding to design a company logo.

SET seed capital microgrant**10. For what purposes did participants request the seed capital microgrant?**

SET participants requested the seed capital microgrant for 20 unique uses, including certification and license fees; business registration; websites, web hosting, and email servers; marketing, logos, and business cards; software, such as QuickBooks; office equipment, such as a desk, computer, and printer; equipment specific to the business, such as fitness studio equipment or tools; and inventory. Out of the 36 interviewed participants, 21 had received microgrants at the time of their interview.

11. Did participants find the seed capital microgrant useful?

Of those responding participants (26 of 36 respondents total), all found the microgrant to be useful to some extent. (This includes some participants who did not receive microgrants, but said they were useful in theory.) One participant found the microgrant useful because it helped him buy items he needed for his business without adding to his debt. Another participant said the microgrant was useful because it paid for items that improved the participant's confidence, such as business cards and business registration. One participant found the seed capital microgrant helpful because it was hard to find start-up money for businesses elsewhere. Another participant said the microgrant prevented him from having to scale back on other parts of his business. One participant said it allowed her to stock up on supplies and be prepared for receiving more customers. Only one participant found the seed capital microgrant to be only somewhat useful, saying the amount was not enough to help him start his business.

12. What were participants' general perspectives on the SET seed capital microgrant?

Participants shared some general perspectives about the SET seed capital microgrant as a feature of the program. Some participants found the microgrant to be a good incentive to continue with the program. As one participant put it, "I think it is probably one of the most valuable tools that is used in the program. It is kind of the carrot to get you to do the business plan and be serious about what you are doing." One participant said the microgrant boosted her self-confidence because it showed her that she had reached an important benchmark, that program administrators believed in her, and that she was "worthy of a \$1,000 investment." Another participant thought the microgrant would have been better structured if participants received some funding in the beginning and additional funding at the end of the program. Two participants stated that, although the seed capital microgrant was "great to have" or a "very nice gesture," it was not a motivating factor for their involvement in SET. Instead, one of these participants was motivated to participate by the advice she would receive, while the other participant was motivated by the opportunity to help people through his business.

13. What were participants' perspectives about the SET seed capital microgrant amount?

Interviewed participants had mixed views about the seed capital microgrant amount. About 30 percent of responding participants (29 of 36) thought the amount was too low. One participant said the microgrant was not enough for starting up a business, and instead was more suitable for people already in business who needed a little help with small expenses. One participant was dissatisfied with the amount of the microgrant because he had a lot of expenses, so the maximum amount of \$1,000 was limiting. Similarly, another participant stated that \$1,000 was not enough to cover her start-up costs, which slowed down her progress. One participant said "in today's economy [\$1,000] doesn't really go far" with the costs of marketing and equipment. Another participant called the microgrant "a drop in the bucket."

About 40 percent of the participants who responded thought the microgrant amount, although low, was still enough to help. One participant stated, "Any amount is useful. I don't care if it is \$50. It's more than what you had to put toward your business." Another participant said the microgrant amount was just enough to cover his expenses. As one participant put it, "In a small way, it is very helpful."

Another 30 percent of responders thought the microgrant amount was appropriate. Some participants thought the microgrant amount was enough to get started, with one calling the \$1,000 "a great start." One participant said that \$1,000 was "a lot of money" and another thought it was "plenty." Another participant, who did not want the government giving someone more than \$1,000, said that it was the right amount to help an entrepreneur become operational. One participant said it was the right amount for the size of his business.

IV. WHAT DID IT TAKE TO ATTRACT AND SERVE SET PARTICIPANTS?

To better understand what it takes to make a pilot program like SET operational, we asked SET case study participants for their opinions on how the SET program was run. We asked them about a range of topics, including how they heard about the SET program, what they thought of the online tools for learning about and applying to SET, how long a program like SET should last, and what ideas they had for improving the program. This information is summarized in Chapter VI.

Recruitment

1. How did participants hear about SET? Did this vary over time or across sites?

Overall, 67 percent of SET participants reported first hearing about the SET program from their state UI agency. Of these, 28 percent of participants said they first learned about SET through an email from their state's UI agency. Another 19 percent said they learned about it in person while visiting their local UI office. Eleven percent reported learning about SET from their UI agency, but did not specify the mode. Another 9 percent reported learning about SET from a phone call (3 percent), letter (3 percent), or website (3 percent) from the UI agency.

Of the remainder, 14 percent said they heard about SET through an email from either an unspecified source (8 percent) or from Mathematica (6 percent). Six percent said they heard about it from a letter from an unspecified source, 6 percent learned about it from a friend, and 6 percent said they first heard about SET from their assigned provider or did not remember how they learned about SET. (Due to rounding, the total percentages do not sum to 100.)

Among those interviewed in our third and last round of case study interviews, 33 percent heard about SET through an email from a state UI agency—whereas, 25 percent reported this in the first round and 17 percent in the second round of interviews. Learning about SET in person from UI staff spiked in the second round (33 percent) compared to the first (25 percent) and third (17 percent) rounds.

Online orientation and application

2. What did participants think about the online orientation? Were the topics covered easy to understand?

When asked about the ease of the online orientation, 61 percent of respondents said it was easy or not difficult to understand. Only one participant said it was difficult; this participant had questions that she wanted to ask in person. Another 36 percent of respondents could not remember the orientation or did not respond to this question. In Chicago, 71 percent of participants said the orientation was easy or not difficult, while 70 percent reported this in Portland. The lowest proportion occurred in Cleveland (33 percent), where another 50 percent of participants said they could not remember the orientation and thus could not comment on it. Across sites, participants described the orientation as “pretty painless,” “user-friendly,” and “clear and precise.” One participant noted that the language was appropriate for all education levels.

3. Would an in-person orientation have been preferable?

When asked if an in-person orientation, as opposed to an online one, would have been preferable, 19 percent said yes. Of the remainder, 53 percent said an in-person orientation would not have been necessary; 28 percent did not respond. Of those who said they would have preferred an in-person orientation, the reasons included the following:

- An in-person orientation would have better held their attention or resonated more (two people)
- An in-person orientation would have allowed questions to be asked of someone in person (two people)

On the other hand, several participants said an in-person orientation would not have been necessary and favored the online orientation. Some said an in-person orientation was not necessary because the information was so clearly conveyed. Four participants (11 percent) said they appreciated being able to view the orientation at a time and location convenient to them.

4. How easy or difficult was it to access and complete the application?

When asked about the ease or difficulty of completing the online application, 72 percent said it was easy or not difficult to complete. Of the remainder, 14 percent said they had challenges with the application, while 14 percent either said they could not remember the application and therefore could not comment on it or did not answer the question. Across sites, 10 percent of Portland participants and 7 percent of Chicago participants said they had difficulty with the application, whereas no participants in the other sites reported this.

Reasons for difficulty included the application being too lengthy and the reading level being too advanced. On the other hand, some respondents said they appreciated the application because it helped them think about their business ideas. For example, one participant said, "I liked how thought-provoking it was. It made me hone in on why I might want to start to own a business." Another said, "It made you think about a lot of things that are necessary. It might deter some people. . . . On the other hand, it had the kind of questions they need to think about and articulate before they move forward anyway. It is probably a good thing."

Length of engagement with SET

5. How long did participants think someone should be engaged in SET?

We asked participants how long they thought a program like SET should last. Participants offered a wide variety of time ranges. Twenty-eight percent said that SET services should last one year, the length of the model as designed. Another 14 percent said it should be available for up to two years, while 11 percent said it should be available for just six months. Of the remainder, participants gave various ranges from six to nine months to up to five years. Several participants said they thought the ideal length or time frame depended upon individual situations and businesses, including a person's level of dedication and the type of business being started. Participants who advocated for a longer time frame said it would be helpful to be able to check in with an advisor after being in operation for some time, because they expect to encounter additional challenges and roadblocks past the start-up period.

Improvements for SET

6. What did participants think could be improved about SET?

Many participants gave ideas for what could be improved in the SET program model:

- **Eligibility, outreach, and application.** One participant said the program should have been advertised more broadly and made available to more people. Another participant would have liked more information on the randomization aspect of the study and a check-in from Mathematica (because this person was dissatisfied with services received). One participant suggested having someone available to talk applicants through the application process.

- **The seed capital microgrant and other financing.** Four participants said more seed capital microgrant funding should have been available because the costs of their start-up needs were greater than \$1,000. One participant suggested that \$5,000 would have been a more appropriate amount; another participant recommended grants of \$5,000 to \$10,000, but with more stringent requirements. One participant said the eligibility requirements should have been made clearer up front, while another participant would have appreciated more time to qualify for the microgrant. One participant said being able to access health insurance through the program would have been helpful. Another participant suggested setting aside financing that participants could access specifically for educational purposes, such as attending conferences.
- **Service providers.** One participant felt that the service provider offered information that was too basic, while another participant felt that her SET advisor did not have appropriate coaching skills. One participant said her provider's course schedule was not conveniently scheduled and not communicated sufficiently. Another participant said that his provider's offices were not conveniently located. One participant recommended partnering with more service providers that work with specific ethnic populations to better match participants with providers.
- **Services offered.** One participant suggested providing tools to help participants build websites as well as informational videos on best business practices and how-to subjects. Another participant suggested more resources on business taxes and insurance specifically. One participant would have preferred quarterly rather than monthly follow-up meetings, and to meet virtually instead of in person or on the phone. Another participant would have liked more structure or an outline of topics to discuss throughout the program. One participant suggested a more thorough intake that assigned participants to a beginner, intermediate, or advanced business development track, in order to provide a more tailored approach.

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