

**MBDA
RESEARCH AND POLICY REPORT**

**ENTREPRENEURSHIP PROGRAMS
THAT REACH MINORITY YOUTH**

by

**FRANK A. FRATOE, PH.D.
RESEARCH AND POLICY DIVISION
MINORITY BUSINESS DEVELOPMENT AGENCY**

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**RESEARCH AND POLICY DIVISION
OFFICE OF PROGRAM AND POLICY DEVELOPMENT
MINORITY BUSINESS DEVELOPMENT AGENCY
UNITED STATES DEPARTMENT OF COMMERCE
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DEDICATION

This report is dedicated with the highest respect to Shirley Gainey, who has made the Minority Business Development Agency a better place to work because of her professionalism, hard work, and unfailing good spirits. Those of us in the Research and Policy Division who have received her constant help and support over the years are especially grateful. As Shirley enters retirement, she leaves with all our best wishes for a continued productive life, but she will be deeply missed as a colleague and a friend.

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SUMMARY

Youth entrepreneurship programs have blossomed since the mid-1980s and are increasingly present in minority communities across the United States. They are defined as organizations giving systematic training to elementary, secondary, or college age youth in business ownership. In this report, thirty examples are described of programs that reach minority youth to some degree. Their growth has been important because they:

- Meet the need for awareness and exploration activities in entrepreneurship for minority youth, particularly in groups characterized by low business ownership rates.
- Instruct minority students in entrepreneurial skills that will give them a head start in the business world and an incentive to continue their education.
- Provide the knowledge needed for minority youth to compete successfully later as adults in a free market system.
- Teach the importance of, and the means to, creating capital ownership and wealth within a community and help bring economic control to the members of the community.
- Begin preparing a class of future minority entrepreneurs, especially in urban and rural areas marked by low-income populations, who can enhance business growth, create jobs, develop community resources, and stimulate the National economy.

Previous research has disclosed that young people display entrepreneurial qualities early in life, want to be business owners so they can have the freedom of being their own boss or express their creative talents, and have a fairly high expectation of becoming owners. Minority youth have the highest expectations of entrepreneurship, particularly African-Americans. But research also shows that they have little access to the training programs which could help transform their desire into achievement. Thus, there is a need to find programs already in existence, then expand and supplement them so more minority youth can be served.

National level youth entrepreneurship programs reviewed in this report are:

- Association of Collegiate Entrepreneurs (New York, NY)
- Business Kids Foundation (Washington, DC)
- Center for Entrepreneurial Leadership (Kansas City, MO)

- Cities in Schools, Youth Entrepreneurial Project (Alexandria, VA)
- Distributive Education Clubs of America (Reston, VA)
- Extension Service, 4H Youth Workforce Preparation Program (Washington, D.C.)
- Future Business Leaders of America/Phi Beta Lambda (Reston, VA)
- Junior Achievement (Colorado Springs, CO)
- Midas Touch Program, Volunteers of America (Los Angeles, CA)
- National Foundation for Teaching Entrepreneurship (New York, NY)
- Operation Enterprise, American Management Association (Hamilton, NY)
- Students in Free Enterprise (Springfield, MO)
- Trickle Up Program (New York, NY)
- Young Entrepreneurs Program, Milken Institute (Bala Cynwyd, PA)
- Youth Business Internship Program, National Minority Business Council (New York, NY)

Local and Regional level youth entrepreneurship programs reviewed in this report are:

- Center for Teaching Entrepreneurship, Heartland Institute (Chicago, IL)
- Center for Teen Entrepreneurs, (New York, NY/Newark, NJ)
- Citizen's Committee for New York City (New York, NY)
- Cooperative Assistance Fund (Washington, D.C.)
- Education, Training, and Enterprise Center (Camden, NJ)
- EntreCon-High School Conference on Entrepreneurship (Philadelphia, PA)
- Entrepreneurial Development Institute (Washington, D.C.)
- Initiative for a Competitive Inner City (Boston, MA)
- Mall Marketing Program (Springfield, VA)
- Minority Youth Entrepreneurship Program (St. Louis, MO)
- National Association for Female Executives (New York, NY)
- National Education Center for Women in Business (Greensburg, PA)
- REAL Enterprises (Athens, GA)
- Southwest Atlanta Youth Business Organization (Atlanta, GA)
- Youth Credit Union Program (New York, NY)

Despite the great variety of youth entrepreneurship programs, they have several functional components in common and use several universal methods. Program components include: selecting a business venture, legal requirements, planning, financing/accounting, managing, and marketing. Standard methods encompass traditional

classroom instruction (with some variations), summer institutes/camps, simulations, competitions, graduate student consulting, and mentoring. These major components and methods are reviewed in the report. Together, they comprise a suggestive model for developing other youth entrepreneurship programs.

Since this is a new field for research analysis, and its subject matter keeps expanding, the report's findings are provisional until more comprehensive studies can be done. Nevertheless, the insights discerned here will be applied to possible policy directions for the Minority Business Development Agency (MBDA) or other organizations advocating youth business ownership.

RECOMMENDATIONS

Critical analysis of entrepreneurship programs reaching minority youth reveals many positive and some negative results. Positive results are indicators of successful programs and can be adopted by MBDA when evaluating its own future efforts or those of other agencies. Negative results may be used as indicators of unsuccessful programs. Two recommendations follow from such analysis.

Recommendation #1.

MBDA should apply these indicators for determining successful programs; clients will have upon completion:

- Greater awareness of entrepreneurship as a personal career choice.
- Greater comprehension of the importance of business ownership in a free market economy.
- Better understanding of financial, human, and social capital requirements in operating an enterprise.
- Ability to determine entrepreneurial opportunities, according to industry, location, etc.
- Knowledge of fundamental business methods, such as planning, financing, accounting, and managing.
- Skill in determining scope of potential consumer markets and customer needs.
- A workable, start-up operation producing some income.

Recommendation #2.

MBDA should apply these indicators for determining unsuccessful programs: clients will upon completion:

- Believe that working for someone else is somehow undesirable.
- Narrow career choices too early in the education process by emphasizing business ownership exclusively.
- Have the impression that self-respect and self-esteem are equated only with the ability to make money.
- Forego higher education opportunities to make money immediately.
- Be convinced they already know everything there is to know about business.
- Fail to initiate a viable, income-producing enterprise.

Recommendation #3.

MBDA should create and disseminate its own youth programs, if budgetary means permit. Also, MBDA should leverage its resources to encourage other public and private sector organizations in their youth entrepreneurship efforts.

MBDA is the lead agency within the Federal government providing assistance in the formation and expansion of minority firms. MBDA also needs to take leadership in promoting entrepreneurial preparation for minority youth, who will be the business owners of the future. (See the remaining strategies for ways the Agency might accomplish that goal.)

Recommendation #4.

As part of its leadership duties in youth development, MBDA must have a better grasp of what is being done in the areas it serves, and where the most critical needs are. MBDA should conduct assessments through local surveys to discover:

- What youth entrepreneurship programs already exist, how well they reach minority clients, and if they have been successful.
- What barriers may have prevented business ownership training from being more widely adopted.
- What interest and support there are among community leaders for placing more emphasis on entrepreneurship as a career path.
- What educational levels should be targeted for assistance first.

Recommendation #5.

MBDA should give assistance to educational institutions for designing curricula which will, first, show minority youth the real possibility of business ownership as a career and, second, provide early introduction to economics, entrepreneurship skills, and venture initiation.

Attention given to entrepreneurship should be increased at all educational levels. Courses and programs ought to be available for students desiring a career in this field, just as they are for other subjects. Business ownership can be treated as an attainable career option, and its pursuit evolve as a curricular goal not only in high schools and colleges but at earlier levels as well.

Recommendation #6.

At the college level, MBDA policy to encourage minority youth in business ownership could take one or more programmatic directions, such as:

- Supplying minority enterprise college scholarships and fellowships.
- Creating minority business training centers and special conferences at selected institutions.
- Establishing minority chapters, or increasing minority membership in existing chapters, of national college youth programs.

- Organizing a national mentor program to give young people direct learning experiences with minority company owners.

Recommendation #7.

At the secondary school level, MBDA policy to encourage minority youth in business ownership could take these programmatic directions:

- Founding MBDA Youth Entrepreneurship Clubs in high schools.
- Organizing community mentor programs where local adult owners can teach high school juniors and seniors.
- Sponsoring trade fairs for teen owners who want to exhibit their products/services.
- Supporting current summer entrepreneurship institutes and camps, or creating new ones (see next recommendation).

Recommendation #8.

MBDA should serve as a catalyst for developing summer institutes/camps that promote minority youth entrepreneurship and give technical assistance to groups interested in forming new ones.

As seen later in this report, learning business skills in the informal atmosphere of a summer camp is a technique used by many programs and has been proven effective. It is also an excellent way to encourage novice business contacts when different community groups and leaders cooperate in running a summer program. MBDA should develop expertise in this method so it can be disseminated even more widely.

Recommendation #9.

MBDA, through its local MBDCs and regional offices, should work with business groups, trade associations, chambers of commerce, etc. to form programs where minority owners would be "big sisters and brothers" for young people.

As role models, these individuals can give emotional and social support, pass on skills through mentorship activities, show youth how actual firms operate, and provide working experience by "on-the-job" training opportunities. Here is a direct means for making social capital more available to youth who need it most. Economically disadvantaged persons and those from single-parent families probably fall in the latter category. School "drop-outs" who are outside the established educational system are also in great need for positive role models.

Recommendation #10.

MBDA should support private and public sector organizations that furnish loans and technical assistance toward microenterprise development.

Over 200 microenterprise programs are now operating in the United States, most of them focusing on low-income, inner-city and rural areas where minority young people have great difficulty finding employment. MBDA's role would be to act as a facilitator for mobilizing resources within the Commerce Department, other government agencies, and private groups for pursuing a microenterprise strategy. Helping them enlarge their services to young people is a necessary subgoal.

Recommendation #11.

MBDA should help aspiring young entrepreneurs become part of local minority business support networks which would increase social capital resources and possibly lead to greater human and financial capital.

Youth program participants can be introduced to the services of all local agencies and organizations assisting the minority owner. Foremost among support network members is the minority business development center itself, too often a largely unknown entity locally. MBDCs must market their services better and reach young people in the community. Then, they can also publicize other elements of the support network, including SBA centers, college/school programs, chambers of commerce, community development

corporations, church groups, and so on. Young entrepreneurs need to recognize the support network, tap into it for training assistance and, in some cases, obtain start-up funding.

Recommendation #12.

MBDA should bring on board one or more experts from existing youth entrepreneurship programs, either as consultants or permanent staff members, to help direct MBDA's youth initiative.

There is a large, growing pool of expertise (especially in the private sector, as disclosed in this report) represented by program managers who have successfully served young clients. MBDA needs such expertise or it will be hampered in promoting minority youth business ownership. Tested leadership is as critical as sufficient budgetary funding for an effective youth initiative. At the very least, outside experts can train internal MBDA staff in program operations.

I. INTRODUCTION

Purpose of Study

Youth entrepreneurship programs have blossomed since the mid-1980s and are increasingly present in minority communities across the United States. They continue to grow rapidly, although it is not known exactly how many exist. Most of them combine a classroom curriculum with hands-on, practical experiences which make business skills enjoyable to learn. At the same time, applying the skills is very challenging for young people. Almost without exception, the major objectives of these programs are to cultivate the entrepreneurial spirit in minority youth, and make them aware of business ownership as something realistically attainable. [1]

Described in this report are 30 examples of youth entrepreneurship programs, defined as organizations giving systematic training to elementary, secondary, or college age youth in business ownership. Information has been obtained by the author directly from program managers who were contacted after an exhaustive examination of directories and other references listing such programs. [2] In some cases, additional information was collected from the research and business development literature. All the programs serve minority youth to some degree, ranging from a complete focus on them to only a partial development of minority clientele. Additional programs for which no information was available in the literature, or were unresponsive to inquiries, are listed at the end of section II.

The youth entrepreneurship efforts described in the following pages are fairly broad in approach and methods, but exhibit similar characteristics. An attempt will be made to single out the key components of these programs, as well as various training techniques used to prepare young people for entrepreneurial careers. No doubt additional features would have been observed if information had been obtained about other programs. Since this is a new field for research analysis, and its subject matter keeps expanding, the findings will be provisional until more comprehensive studies can be done.

Nevertheless, the insights discerned here will be applied to possible policy directions for the Minority Business Development Agency or other organizations advocating youth entrepreneurship.

Why Promote Entrepreneurship Programs for Minority Youth?

Opportunities to enter entrepreneurship have been harder for certain groups -- those with less access to investment funds (financial capital), fewer human resources (human capital), and underdeveloped support networks (social capital). Because of this, a large disparity remains in the proportion of minority owners compared to their nonminority counterparts. One way to close the gap is by teaching minority youth the risks, rewards, and skills of entrepreneurship, along with offering some financial and social capital, so they have greater opportunities to become business owners in the future. Youth entrepreneurship programs that reach minorities amplify such opportunities by training young people from groups with reduced access to resources. [3]

Some of the problems found in inner city and rural low-income areas can be alleviated by business education, particularly emphasizing the teaching of entrepreneurship to the economically disadvantaged. It has been shown that teaching entrepreneurship often rekindles the indifferent and troubled student's interest in school work, giving him/her a sense of purpose and greater self-discipline. Moreover, by learning ownership skills, youths can have an alternative to crime and poverty, while at the same time avoiding a nonproductive life dependent on government welfare. Many unemployed residents of low-income areas may reverse self-defeating life patterns by becoming business owners or employees of locally created enterprises. This will also help bring economic control into the hands of people who live there. [4]

Indeed, programs broadening the base of entrepreneurship through youth training have group economic empowerment as an ultimate goal, by increasing employment and generating wealth through self-directed action. Future owners can one day provide employment and produce wealth in minority communities, as well as help revitalize declining neighborhoods. Future owners will also become leaders giving the minority community a more prominent voice in economic affairs. Self-directed business development will aid the nation in advancing the human resources of all its constituent groups, so they may contribute their full abilities to maintaining a free market economy. [5]

To summarize in somewhat different terms, youth entrepreneurship programs are critical because they:

- Meet the need for awareness and exploration activities in entrepreneurship for minority youth, particularly in groups characterized by low business ownership rates.
- Instruct minority students in entrepreneurial skills that will give them a head start in the business world and an incentive to continue their education.

- Provide the knowledge needed for minority youth to compete successfully later as adults in a free market system.
- Teach the importance of, and the means to, creating capital ownership and wealth within a community and help bring economic control to the members of the community.
- Begin preparing a class of future minority entrepreneurs, especially in urban and rural areas marked by low-income populations, who can enhance business growth, create jobs, develop community resources, and stimulate the national economy.

Why Do Minority Youth Want To Be Entrepreneurs?

It is not enough that youthful entrepreneurs are in demand as a useful part of the larger society. They also must be motivated to desire business ownership as a career goal, a motivation which can begin very early in life. In a study done about a decade ago by Marilyn Kourilsky of the UCLA School of Education, it was found that youthful entrepreneurs are characterized by traits which emerge early. As pre-schoolers, they showed a taste for risk-taking, a talent for creative problem-solving, and high achievement motivation. As many as one-fourth of kindergarten pupils displayed such entrepreneurial qualities. They were also characterized by a sense of controlling one's own destiny that lends itself to entrepreneurial ambitions. If these traits are not nurtured in some positive manner, they tend to atrophy or they are redirected into deviant behavior. [6]

What motivates youth at a later age? Emmanuel Modu of the Center for Teen Entrepreneurs conducted a survey of high school students, mostly minorities, who attended a 1990 entrepreneurship conference. He asked questions about how they became interested in business ownership and what they considered to be the most important goals concerning that occupation. A large majority of respondents indicated they were encouraged to consider entrepreneurship as a career by owners in their community, including their parents or other relatives who ran a family business; the influence of positive role modeling was clearly present. Almost half the respondents said they wanted to be entrepreneurs because it would allow them to express their creative talents. About one-third emphasized a related reason: they liked being in control of their work situation with the freedom that option brings. Some had their community's well-being in mind, declaring a desire to create services benefitting community residents. Very few were motivated by the prospect of "making lots of money." [7]

A 1993 study sponsored by the Minority Business Development Agency further explored the motivation issue but also compared basic attitudes toward business

ownership between minority and nonminority youth. The national level survey, conducted by James Chase of Development Associates, found that African-Americans had the highest expectation of business ownership, followed by Asian, White, and Hispanic youth, respectively. This finding dispelled a long-held assumption in the research literature that African-American young people are not interested in entrepreneurial careers. Most respondents in each racial/ethnic group believed the major advantage of owning an enterprise is the freedom associated with being their own boss. Expectation of high financial reward was a distant second, a result similar to that of the Modu study. [8]

But the MBDA-sponsored report also disclosed crucial problems related to the entrepreneurial ambitions of minority youth. Less than one-third of respondents knew of any place in their community where they could go to get advice on starting a business, while only about fifteen percent had participated in any entrepreneurship training programs. Few knew anyone who could lend them small amounts of investment capital. Thus, despite the very great desire among minority young people to follow a business ownership career, they do not have much access to information and training programs, or financial capital, which could help transform their desire into achievement. There is certainly a demonstrated need for entrepreneurship programs that reach minority youth. Findings of the MBDA-sponsored report form a starting point for the present study.

II. EXAMPLES OF PROGRAMS

Entrepreneurship programs that reach minority youth vary widely in their scope and service area. Some are national level organizations providing services to participants located at different places across the country or bring young people from all over the United States to a single site. Others are agencies oriented locally by serving clients from just one community, while a limited number are regional in scope as they reach trainee markets covering a few adjacent states.

The following pages present examples of, first, national level youth entrepreneurship programs and, second, local/regional programs -- all based upon information collected by the author. Since information sources differed considerably in their descriptive and analytic contents, some program narratives will be longer than others. This does not indicate any relative importance, but only reflects the contingencies of data collection. Other programs for which no information is available will simply be listed at the end of the section.

NATIONAL LEVEL PROGRAMS

Association of Collegiate Entrepreneurs (ACE)

342 Madison Avenue, Suite 1104, New York, NY 10173
Contact Person: Edward Michitsch, (212) 922-0837.

Among its chief goals, ACE promotes the professional and social development of college student entrepreneurs by encouraging interaction between its members, other professionals, and a national network of students having similar interests. A network of business contacts is especially critical early in careers. Student membership in an ACE campus chapter brings affiliation with the national organization and a variety of networking events like luncheons and conferences. Other ACE goals are to facilitate its member's creation of profitable opportunities, create a learning environment for all students interested in self-employment, and promote entrepreneurship as a desirable career path.

[9]

To give some idea of what ACE's local chapters are like, two will be briefly mentioned.

The ACE chapter at Howard University, Washington, D.C., has helped dozens of its predominantly minority undergraduates initiate business ownership. For example, an economics major created a storage company after he received information from the Howard ACE chapter about developing his entrepreneurial idea. At Baylor University's Center for Entrepreneurship, Waco, Texas, the ACE chapter has developed its own group enterprise ventures including designing and selling ACE T-shirts. Profits cover operating expenses and finance trips to state, national, and international conventions. But revenues are applied in more innovative ways, such as establishing a venture capital fund which supplies funding for members' individual enterprises. The Baylor Center also offers a summer program to high school students just completing their junior year; the 4-day event gives younger clients intensive leadership training in entrepreneurial operations. [10]

Business Kids Foundation

3230 Walbridge Place, NW, Washington, D.C. 20010
Contact Person: Edward Burakowski, (202) 332-5985

The Business Kids Foundation was established in 1989 to help "at risk" youth control their own destiny in a free market system through the study and experience of entrepreneurship. This is done in two different ways. First, the Foundation has developed an entrepreneurial curriculum used around the country in elementary schools, middle/high schools, and many community based organizations. The curriculum is contained in a classroom Business Kit designed to motivate students 12-18 years old. The Kit has a "business plan packet" describing how one can put together a workable plan for a microenterprise, a "template packet" which is a brief course in advertising, and separate "know-how booklets" about starting up, organizing, managing, and marketing a venture. A membership card gives kit holders access to a toll-free hotline for business advice.

Second, the Foundation operates its own Youth Entrepreneurship Institute that directly teaches inner-city youth how they can run a microenterprise. Trained instructors are furnished with audio/visual material supplementing the Business Kit. During an Institute program, each participant researches her/his business idea and creates a comprehensive plan which is presented to a review panel of adult judges who give awards for the most outstanding plans. Scholarships are sometimes offered when funds become available. Mentoring is normally built into the Institute's program, with an adult follow-up mentor arrangement. These programs are conducted in shared cooperation with community agencies. For instance, Business Kid's 1994 District of Columbia Institute was co-sponsored by the D.C. Department of Youth Services, The Greater Washington Boys and Girls Clubs, and The Greater Washington Board of Trade (see Appendix A). [11]

Center for Entrepreneurial Leadership

4900 Oak Street, Kansas City, MO 64112
Contact Person: Marilyn Kourilsky, (816) 932-1000

The Center for Entrepreneurial Leadership is affiliated with the Ewing M. Kaufman Foundation, a nonprofit organization whose founder believed that the best way to create prosperous communities is to have a strong entrepreneurial base. The Center presents a national "Entrepreneurship Educator of the Year Award" to the teacher judged as the most innovative and effective in helping young people learn business ownership skills. The award winner receives a \$15,000 stipend and spends a summer at Kauffman Foundation headquarters where she/he refines the teaching approach on which the award is based. The Entrepreneurial Leadership Center then replicates that approach in an instructional package disseminated to schools and colleges across the Nation.

Marilyn Kourilsky, a Center Manager, is responsible for creating two entrepreneurial education games for elementary school students, "Kinder Economy" (Kindergarten through second grade) and "Mini-Society" (Grades 3-6). The two games are now taught in an estimated 100,000 classrooms in more than 40 states. They encourage student players to establish their own simulated economic system and generate business ideas for marketable products. The effect is to increase young people's self-confidence as they begin understanding larger economic forces outside the classroom. [12]

Cities in Schools (CIS), Youth Entrepreneurial Project

401 Wythe Street, Suite 200, Alexandria, VA 22314
Contact Person: Walter J. Leonard, (703) 519-8999

Cities in Schools (CIS) is the Nation's largest non-profit organization devoted to dropout prevention. Since 1977, CIS has given leadership in helping local communities form private-public partnerships which put human services into the schools on behalf of youth, encouraging their continued educational perseverance. Typically, a coalition of community leaders in education, business, and government works with CIS to bring needed resources into the learning environment. The U.S. Department of Justice has supported the program as a means for not only decreasing dropout rates but also reducing school-related crime. In recent years, the Minority Business Development Agency has also supported CIS with a special focus on promoting minority youth ownership under the Youth Entrepreneurial Project (YEP). Although funding for YEP has now run out, thirteen student-run entrepreneurial activities were established.

Mini-grants up to \$2,500 each were awarded for these activities through a competitive process. For example, the Burke County, Georgia CIS used its grant for preparing students in the skills needed to start, manage, and maintain service-oriented businesses. The Chicago CIS founded a student owned and operated youth credit union in a vocational high school. The Compton, California, CIS launched a laser printer/copier recharging enterprise which trained 20 secondary school students in all facets of the electronic recharging business. West Philadelphia High School, cooperating with the Philadelphia CIS, initiated a computerized desktop publishing center where young people printed brochures, programs, newsletters, etc. Most clients served by the Youth Entrepreneurial Project were minorities from inner cities and rural places. [13]

Distributive Education Clubs of America (DECA)

1908 Association Drive, Reston, VA 22091
Contact Person: Edward L. Davis, (703) 860-5000

DECA serves high school juniors and seniors as well as college students interested in marketing and distribution as a vocation. Nationwide, over 6,000 high school and 300 college DECA chapters involve about 200,000 students each year. Marketing teachers conduct DECA activities as part of their classroom instruction, which impacts directly on school curricula. Thousands of companies supply workplace training for DECA students, a practical "laboratory" for learning marketing operations. The largest effort is DECA's competitive events program in which 90,000 young people compete first at the local level, then at state and national conferences. These events are learning activities designed to develop essential competencies needed for advancement in the marketing field. Several events are targeted exclusively at entrepreneurship development.

The "Entrepreneurship Written Event" requires each student to prepare a written proposal for a new business, a self-analysis of education and personal experience, an analysis of the business environment, a description of the way the enterprise will operate, plans for financing it, and a role-playing interview with a bank or venture capital official (see Appendix B). The "Learn and Earn Project Event" allows DECA local chapter members to conduct a sales/service activity along the lines of an actual business operation. Under "Learn and Earn", students plan, implement, and evaluate a single sales/service project which focuses on any subject of interest to the local chapter. Other competitions, such as the "Free Enterprise Essay", result in cash awards for the winners. [14]

Extension Service, 4H Youth Workforce Preparation Program

U.S. Department of Agriculture, Washington, D.C. 20250
Contact Person: Greg Crosby, (202) 720-5516

4H is the youth development segment of the Extension Service, an agency of the Agriculture Department. 4H encompasses curriculum and experiences structured to help young people explore career options at the local, state, and national levels. It is the only youth development system that reaches virtually every county in the United States. Current membership is almost six million, with more than half the participants living in urban areas. 4H's Workforce Preparation Program offers opportunities in the transition from school to work, starting with pre-school children and continuing through young adulthood.

Part of Workforce Preparation is an annual national youth business symposium, "Empowering Teen Entrepreneurs", a three-day conference which brings together teens and adult experts from around the country to share models and identify resources successfully used in educating young entrepreneurs. The symposium assists three groups: existing teen owners, teens interested in starting a business, and adult professional/volunteers working on youth entrepreneurial programs. Participants learn about the requirements for successful business operation and realistic opportunities available to them. Panels of owners share their experiences in managing an enterprise. Adult program administrators receive more information on planning, financing, organizing, implementing, and evaluating youth entrepreneurship projects. There are sessions which analyze innovative programs being conducted in both the private and public sectors. The U.S. Department of Housing and Urban Development is co-sponsor of this symposium.
[15]

Future Business Leaders of America/Phi Beta Lambda

1912 Association Drive, Reston, VA 22091
Contact Person: Ann Morgenstern, (703) 860-3334

Future Business Leaders of America (FBLA) and Phi Beta Lambda (PBL) are components of a national association with almost 300,000 student members interested in business or business education careers. Secondary school members are enrolled in the FBLA division, while college level business majors belong to the PBL division. This is not an entrepreneurship training organization per se, but rather one that promotes general business participation in a free market system. FBLA/PBL's primary goals for students are to help them learn more about a career in business and ease the transition from school to work. They also get first-hand experience with business people, practice

efficient money management, and pursue "on-the-job" training in a wide range of business activities.

FBLA/PBL chapters sponsor educational programs that increase students' knowledge of the business world. Chapters cooperate with local schools promoting field trips to nearby stores/industries, panel discussions, guest speakers, and a National Student Award competition. They pay for activities through entrepreneurial fund-raising efforts. Chapters also encourage individual student members to start their own enterprises, and it is common for a school FBLA participant to learn business ownership in this direct manner. [16]

Junior Achievement

One Education Way, Colorado Springs, CO 80906
Contact Person: Jean M. Buckley, (719) 540-8000

Junior Achievement (JA) is a world-wide nonprofit organization founded 75 years ago that seeks to educate young people in valuing free enterprise. It operates in more than 1,000 communities with almost 1.5 million students. Its programs focus on three different groups: elementary, middle, and high school youth. The elementary school program shows K-6th grade pupils the economic relevance of what they learn in school and their future participation in the economy. "Project Business", JA's largest in-school program, helps 7-9th grade students explore careers and understand the role of entrepreneurs. The senior high curriculum for 10-12th graders is "Applied Economics", an academic course with a practical activity whereby students together set up and operate an actual enterprise. At all program levels, volunteer business consultants are brought in from the community to teach the classes after being trained by local JA staff members. [17]

In recent years, Junior Achievement has made an attempt to reach "at-risk" minority students through programs focusing on poor, inner-city neighborhoods. One source estimates that JA now serves about a quarter of a million minority students yearly, most of them African-Americans and Hispanic-Americans. [18] To illustrate, in 1989 JA special in-school programs were attended by almost 20 percent of New York City students in grades 5-8 and high school seniors. The predominantly minority participants had positive role models because many classes were taught by volunteer minority business owners/executives who took their students to their worksites. In other cities, JA together with the McDonnell Douglas Corporation sponsors an evening "Company Program" for at-risk youth normally unable to attend regular JA daytime classes. These high school students meet with JA advisors after school to establish a minicorporation, elect company officials, sell stock, make a product, and

market it. [19]

Midas Touch Program, Volunteers of America

3600 Wilshire Blvd., Los Angeles, CA 90010
Contact Person: (Unknown), (213) 389-1500

Midas Touch is a national program of the Volunteers of America (VOA), a nonprofit charitable organization operating in 200 cities. Midas Touch is designed to give high school students from lower economic backgrounds a foundation in free market enterprise. It assists young people to initiate their own microbusinesses requiring small start-up costs, while stimulating their creativity and ambition. The program is administered locally by an all-volunteer committee, composed of community and business leaders. Students are recommended by high school guidance counselors or teachers, park and recreation directors, or other youth organization representatives. They must come from an economically disadvantaged family and demonstrate a prior interest in entrepreneurship.

The heart of the Midas Touch Program is a three-day, two-night seminar which accommodates 100 students, split evenly among boys and girls. A rigorous schedule of workshops is followed during that time period. The students are brought together with local entrepreneurs who serve as panelists in question and answer sessions. Panelists give programmatic advice to the students for creating profit making opportunities. Students are then divided into counselor groups, each of which produces a plan for a small enterprise. When all plans are completed, they are judged by a special panel of adult owners, and the group ascertained to have the best plan is awarded a prize.

But this is just the beginning of the Midas experience. When the seminar ends, each participant receives an enterprise workbook giving detailed instructions for developing a microventure for after school, weekends, or summers. Each student is encouraged to use the workbook as a guide and write his/her own business plan. These are submitted to the local Midas Touch committee, whose members review the individual plans, recommend any changes, and supply on-going guidance for the fledgling owners. Students are also given the opportunity to attend special group sessions with other Midas alumni during which they can compare business experiences and learn about what other students are doing. Midas follow-up services continue for a full year after the initial seminar. [20]

National Foundation for Teaching Entrepreneurship (NFTE)

64 Fulton Street, Suite 700, New York, NY 10038
Contact Person: Steve Mariotti, (212) 233-1777

NFTE is a national, New York based nonprofit organization, founded in 1987, that teaches entrepreneurial skills to inner-city youth from kindergarten through high school. It grew out of courses taught at a Bronx, NY high school and now spans metropolitan areas across the United States, with programs in Long Island, New Jersey, Philadelphia, New England, Washington, D.C., Chicago, Minneapolis, Wichita, Los Angeles, and northern California. NFTE students are taught in "mini-MBA" entrepreneurship courses by NFTE-trained community volunteers. The 80 hour courses are usually held after school in classrooms, settlement houses, or local youth service agencies. Students begin with basic educational skills like writing and math, e.g. they learn to do their own bookkeeping, and work themselves up to reading the Wall Street Journal, writing a business plan, buying or creating a product, and setting up shop. By the end of the course, many NFTE students have established microenterprises of their own. While not every student follows through and not every start-up is successful, most young people come out of the program with a better understanding of business and the workplace, along with more confidence in themselves. [21]

In 1993, some 1,500 students nationwide graduated from NFTE's programs, about 25 percent of them going on to operate their own businesses. The Minneapolis NFTE branch, as of early 1994, had trained 300 at-risk and disadvantaged students who created 55 enterprises grossing over \$20,000. The Washington, D.C., branch, called "Young Entrepreneurs of Washington, D.C.", recently (June 1994) graduated 100 young people ages 12-18. Working with the latter program, the David H. Koch Charitable Foundation has provided funds to sponsor a competition for start-up capital awards ranging from \$300 to \$1,000. Students submitting the twelve best plans will receive funding for permits, licenses, equipment, inventory, and other expenses. Among corporations involved in partnership efforts with NFTE, MCI has agreed to spend \$50,000 a year for teleconferencing services so NFTE instructors can conduct live training sessions and answer business questions from youth entrepreneurs across the country. Foundation and corporate support constitute a major part of NFTE's \$2 million budget. [22]

Operation Enterprise, American Management Association

P.O. Box 88, Hamilton, NY 13346
Contact Person: Andy Mason, (315) 824-2000

The American Management Association (AMA) has created Operation Enterprise (OE), a summer camp program designed to give students a better understanding of business ownership and help develop necessary entrepreneurial skills. Each summer about 400 students come to a rural retreat in upstate New York where they participate in 10-day group learning sessions in entrepreneurship, motivation, leadership, and personal growth. Operation Enterprise offers high school programs for those who have completed their junior or senior year. It also has college programs open to undergraduates of all levels. Most students are sponsored by corporations or local business councils who provide scholarships covering the training costs. AMA directs the program through an advisory board which meets several times during the year.

OE participants attend sessions in a casual environment where the conference rooms have open roundtables that put everyone at an equal level and encourage open discussion. Students sit next to CEOs or other business leaders who come to the sessions so they may share their management expertise. After a presentation, a CEO may eat with the students or engage in sports activities with them, as the learning experience continues beyond the conference room. Business simulations are also conducted to give a flavor of what kinds of decisions must be made in operating an enterprise. As a program follow-up, Operation Enterprise students often receive internships at AMA headquarters or with a corporate sponsor where further instruction can take place. Minority young people are among the OE participants/interns, although the program does not focus on them exclusively. [23]

Students in Free Enterprise (SIFE).

1959 E. Kerr, Springfield, MO 65803
Contact Person: Alvin Rohrs, (417) 831-9505

SIFE is a nonprofit organization, whose 28,000 members are located at over 300 institutions of higher education, teaching college students a greater appreciation of the free enterprise system. This is done by having SIFE collegiate teams work with the community on entrepreneurial projects. SIFE national leaders start the process of building teams by recruiting college faculty, supplying them with resources to train students as team members, and counseling SIFE teams as they conduct educational outreach programs and compete at SIFE annual expositions. The expositions are a national forum where teams present their programs to a panel of national business executives.

But student members of SIFE collegiate teams are often directly involved in their own entrepreneurial efforts. For instance, the Alverno College (Milwaukee) SIFE chapter managers a profit-making business -- a used textbook store. The store's book sales

generate revenue supporting the chapter, as well as the College's Venture Fund for Young Entrepreneurs (targeted for at-risk students). The University of Nebraska (Lincoln) SIFE Team has formed the Entrepreneur Development Corporation, a student-owned marketing and small business consulting firm that raises money for scholarships and conferences. Another SIFE project at the University of Houston-Downtown reaches even younger participants. An alumna of that University now teaches at an inner-city Houston elementary school. In her classroom, she has created a simulated "little city" where pupils operate businesses and fill various jobs. She has also developed a mentor program matching her students with SIFE team members at the University. The elementary girls and boys thus gain role models and personal instructors to encourage their participation in the free enterprise system, especially critical in an economically disadvantaged environment. [24]

Trickle Up Program (TUP)

54 Riverside Drive, New York, NY 10024
Contact Person: David W. Havens, (212) 362-7958

The Trickle Up Program, a international private sector organization headquartered in New York, grew out of a former worldwide program devoted to community development. TUP's main objective is to create new opportunities for self-employment among low-income populations, who can establish profitable enterprises they plan themselves and thereby become economically independent. Trickle Up makes grants available through other agencies that train microentrepreneurs in self-employment skills and business plan development. Although its focus is chiefly abroad, TUP has helped start over 150 microenterprises in the United States, mostly among minority high school students in inner-city neighborhoods. The organization gives them \$100 start-up capital and a simple business training curriculum. TUP works with volunteer coordinators found among youth agencies and high school faculty. [25]

Young Entrepreneurs Program, Milken Institute

401 City Avenue, Suite 204, Bala Cynwyd, PA 19004
Contact Person: Lisa S. Hoffstein, (215) 668-5330

The Young Entrepreneurs Program (YEP) is a component of a larger effort, the University-Community Outreach Program (UCOP) which is sponsored by the Milken Institute for Job and Capital Formation. UCOP began in 1988 in West Philadelphia on the

University of Pennsylvania's campus. Since then it has expanded to include community-university linkages in Harlem/Columbia University, Oakland and East Bay/University of California, Berkeley, and South Central Los Angeles/University of Southern California. UCOP works primarily with university business schools who provide educational and entrepreneurial assistance to the local community.

YEP, now operating at all four sites, is a year long program teaching 10-12th grade students the basics of developing their own enterprise. Teens from the mostly minority neighborhoods surrounding each university learn entrepreneurial fundamentals and gain confidence in their ability to succeed in the business world. Young entrepreneurs start the program in summer and graduate the following spring. MBA graduate student volunteers work with YEP participants throughout the academic year. In Phase I, high school students are brought onto the university campus for an intensive two-week summer program covering the basics of small business management. Each participant writes and presents her/his plan for operating a venture. Besides classroom instruction, Phase I includes guest speakers and business-related field trips.

When Phase II begins in the fall semester, YEP members are matched with volunteer graduate student mentors who help them revise their business plans. Each mentor/mentee pair meets bi-weekly and attends monthly group activities. During the school year, young entrepreneurs who want to initiate a business can apply for seed money to YEP's Venture Capital Board, consisting of community leaders and university personnel. Applicants deliver a brief presentation on their plan before the Board which may award as much as \$500 in start-up funds. The experience teaches students not only how ideas can be translated into reality but how to think and speak clearly. [26]

YEP has had a positive effect on the youth it has served since 1988. According to a recent survey, about 45 percent of the nearly 600 participants started enterprises, and 25 percent were still running them in 1993. More than half are attending college, including some at the affiliated UCOP institutions. Over half said that the program gave them the knowledge they needed to operate their own business. [27]

Youth Business Internship Program, National Minority Business Council

235 E. 42nd Street, 9th Floor, New York, NY 10017
Contact Person: John F. Robinson, (212) 573-2385

The National Minority Business Council (NMBC), an umbrella organization of small minority enterprises located nationally and internationally, advocates the advancement of its members' interests. It also develops their skills by administering a number of

programs offering instructional/networking opportunities. NMBC claims it has a deep commitment to minority youth, teaching them the values of the free enterprise system and preparing them for future business leadership roles. It has backed that commitment with some youth oriented actions, such as employing college interns on NMBC training projects.

In 1991, NMBC inaugurated its Youth Business Internship Program, designed to bring college-age minorities into contact with the business world. College students enrolled in business degree courses are provided with NMBC internships. They have the opportunity to be placed under the guidance of selected small venture owners where they can gain first-hand operational experience. In this "apprenticeship" environment, the interns familiarize themselves with all daily activities the small owner must undertake in order to survive and remain competitive. The direct, hands-on experience gives them knowledge they could not obtain otherwise and helps motivate them toward excelling in their studies. Limited results so far have been positive, as reported by NMBC. [28]

LOCAL AND REGIONAL LEVEL PROGRAMS

Center for Teaching Entrepreneurship, Heartland Institute

634 South Wabash Avenue, Chicago, IL 60605
Contact Person: ReDonna Rodgers, (312) 427-3060

The Center for Teaching Entrepreneurship (CTE) was founded in 1991 and uses a curriculum developed by the National Foundation for Teaching Entrepreneurship to prepare low-income, inner-city youth for business ownership. In 1993, more than 100 Chicago central city young people attended entrepreneurship courses at several youth centers. The 10-week courses focused on developing enterprise skills, but other concepts like pride and integrity were also stressed throughout the curriculum. Another 1,300 students attended one-day workshops at schools and community centers around Chicago where they were introduced to business ownership. Some CTE participants who already ran their own microventures used the training to improve their operations; they also became role models for helping other young people. [29]

CTE functions on a \$80,000 annual budget pledged by private corporations, foundations, and individual donors.

Center for Teen Entrepreneurs (CTEEN)

10 Richmond Street, Newark, New Jersey 07103
Contact Person: Emmanuel Modu, (201) 824-7207

The Center of Teen Entrepreneurs serves teenage clients, predominantly minority, in the New York metropolitan area. The program's chief objectives are to:

- Teach young people the fundamentals of entrepreneurship.
- Provide them with a practical outlet for their creative talents.
- Help them obtain venture financing.
- Teach applied business ethics.
- Encourage students to continue their formal education.
- Show parents how they can develop entrepreneurial talents in their children.
- Establish a support network for young owners.

CTEEN's clients can turn to it for help in developing their ideas into viable enterprises. Staff members review the business plans of trainees before any attempted implementation. The training sessions use a start-up kit produced by CTEEN, and marketed to other youth programs, which guides young people 13-18 years old in starting and running a business. It also maintains an information network so young entrepreneurs can contact each other directly and exchange ideas, keeping them abreast of contemporary events concerning youth self-employment. [30]

Citizen's Committee for New York City

305 7th Avenue, New York, NY 10001
Contact Person: Donald Vaghn, (212) 989-0909

The Citizens Committee for New York City operates Strictly Business, a microenterprise program that gives a special target group of low-income youth a chance for self-employment. These are youth, 16-21, who have demonstrated strong leadership and management skills acquired through involvement with the illegal drug trade and other

street activities in six New York school neighborhoods -- East Tremont and Mott Haven/Longwood in the Bronx, Bushwick and Crown Heights in Brooklyn, Central Harlem in Manhattan, and Southeast Queens.

Participants receive technical assistance through entrepreneurial training courses, business planning, counseling, mentor programs, weekly meetings of peer support groups, and a week-long entrepreneurship retreat. They also enroll in community-based school programs and work toward their high school diploma or G.E.D. equivalent. Youths are linked to local adult owners for mentoring and neighborhood banks for financial assistance. The program also makes \$500 microloans available for start-ups to groups of five participants. By late-1993, 48 clients had been served, with 8 business starts. [31]

Cooperative Assistance Fund (CAF)

655 15th Street, N.W., Suite 375, Washington, D.C. 20005
Contact Person: Patricia Jacobs, (202) 833-8543

CAF has provided loans, loan guarantees, and equity investments to minority enterprises in the Washington, D.C. metro area since 1968. It was established by a group of foundations for the development of economically disadvantaged neighborhoods. One of its newest efforts is the Youth Entrepreneurship Fund (YEF), whereby CAF partners with private sector investment programs encouraging youth entrepreneurship and community development. Through YEF, young minority owners 13-17 years old receive loans which help them finance small ventures they are ready to implement, having already obtained training in other D.C. area programs. To qualify for a YEF loan, a trainee must submit a business plan he/she has developed previously. An advisory committee of CAF board and staff members, plus some community leaders, evaluate the submissions and determine loan amounts (usually several hundred dollars). The loans are typically used to purchase inventory or equipment.

Among the first enterprises to receive financing were an educational entertainment company whose initial product was a board game called "Small Business" and a hair-care shop specializing in a culturally derived hair-braiding technique. Since all young owners are part of existing training programs, their directors will continue giving them guidance throughout the one year term of the loan. The first YEF loan grantees were presented at a luncheon in which the Mayor of the District of Columbia recognized their initiative (see Appendix C). [32]

Education, Training, and Enterprise Center (EDTEC)

309 Market Street, Suite 201, Camden, New Jersey 08102
Contact Person: George Walters, (609) 342-8277

EDTEC is a for-profit consulting firm furnishing youth entrepreneurship training directly and marketing its curricula to other training agencies. It was founded in 1985 by two people who had extensive experience running programs for youth offenders in the South Jersey area. They wanted to show young people from troubled backgrounds that it is better to make money by legitimate means than through illegal underground market activities like drug trafficking.

EDTEC's seven-week New Entrepreneur's Program teaches teenagers 14-16 years old how to identify profit-making opportunities and then actually initiate an enterprise. First, students develop their capabilities during formal classroom instruction lasting two weeks in the summer. Second, a written business plan is produced after local community professionals -- lawyers, accountants, marketing experts, etc. -- help the students select an appropriate venture. Third, a week of intensive training in the student's chosen field follows, with a small amount of start-up capital supplied for beginning a microenterprise. For the final four weeks, a group of advisors/mentors monitors the young owner's work and gives practical assistance when needed. The EDTEC program serves about 50 students a year directly, but its curricula are used in other programs serving hundreds more. [33]

EntreCon -- High School Conference on Entrepreneurship

University of Pennsylvania, Wharton School, Philadelphia, PA 19104
Contact Person: (Unknown), (215) 898-7607

EntreCon brings together each year about 150 outstanding Philadelphia high school juniors and seniors for an intensive four-day conference. It is run by graduate students at the Sol Snider Entrepreneurial Center at Penn's Wharton School of Business. EntreCon focuses on business career opportunities available to students. It teaches the specifics of the entrepreneurial process and various methods an owner must use in his/her operations. The conference features a new headline speaker each year, with workshops and peer panels to help prospective young entrepreneurs implement their ideas.

EntreCon students are split into groups of seven or eight each and given the task of writing business plans for ventures that can be conducted on a college campus or near

one. However, less than \$3,000 must be required in start-up capital. Students complete the plan in their spare time during the conference and present it to a review panel of adult judges who select the best for awards. The plan must include a general description, target market, market research, and proposed financing. Wharton School professors and prominent owners/executives are among the panel members, and they share their valuable experience with students. [34]

The Entrepreneurial Development Institute (TEDI)

2025 I Street, N.W., Suite 905, Washington, D.C. 20006
Contact Person: Melissa Bradley, (202) 822-8334

TEDI, a nonprofit organization founded in 1991, empowers economically disadvantaged youth by encouraging them to develop their own microenterprises, while they stay in school to sharpen their academic skills. It serves minority youth 7-21 years old in the Washington, D.C. area, with the average age of its clients being 13 years old. TEDI's programs establish working community partnerships with adult-owned local firms, banks, corporations, colleges and universities, foundations, church groups, and youth clubs. Some of these organizations fund TEDI's operations.

Students are introduced to business skills in classroom training sessions, supplemented by workshops, computer training, and guest speakers. They get the opportunity through case study analysis to solve practical problems in operating a community business. Case studies may include debates or contests for the youth. TEDI also assists the students in creating a business plan and launching their own entrepreneurial project. Training sessions then become business meetings where start-up strategies are discussed, but students are the ultimate decision makers. The program solicits adult owners to act as mentors and recruits college students as trainers/counselors. TEDI operates its own youth microloan fund which supplies low-interest loans from \$100 to \$2,500 for one or two year terms.

As of early 1994, TEDI had served about 400 clients with six business starts, including a school store, a community newspaper, two t-shirt sales businesses, a youth center cafe, and a small publishing company producing bilingual coloring books for children. Moreover, half of the trainees had their average school grades improve by at least one full grade point. All continued their formal education and 30 percent did so well academically that they gained school recognition.

TEDI sponsors an annual National Youth Business Summit (see Appendix D) so young entrepreneurs can share their experiences in panel discussions and attend

workshops about business-related topics. The first was held at Howard University which cosponsored it along with NationsBank and the United Black Fund, among others. Exhibit space provided at the summit let young owners display their wares. TEDI forms other partnerships with organizations so they can use the TEDI model in furnishing entrepreneurial training for youth. [35]

Initiative for A Competitive Inner City

Harvard University, Harvard Business School, Boston, MA 02163
Contact Person: Michael E. Porter, (617) 495-6000

In this program, Harvard MBA graduate students are paired with Boston inner-city business owners in need of better management, technical, and financial skills to operate their enterprises. Between mid-1993 and mid-1994, twenty-five Harvard graduate students -- almost half were minorities -- participated in research projects or field studies involving several central city companies. The students devoted at least 120 hours apiece observing/assisting their clients. For example, three students pinpointed a Black-owned restaurant's costs, standardized proportions for each menu item, wrote job descriptions for all 27 employees, and produced a training video for new hires. They also helped purchase cash register software giving instant feedback of sales information. Another student team prepared financial forecasts and budgets for a large Hispanic-owned supermarket.

The Initiative is now being financed by the Harvard Business School, using not only its own resources but alumni and corporate contacts. Plans are underway to expand it with a larger contingent of MBA students who would spend two years in the field doing consulting and research. Management classes would also be offered for owners who need formal training but lack the financial capacity to put themselves through school. The heart of this program will remain a graduate student cadre helping nurture business growth in poor urban areas, receiving invaluable knowledge themselves about how to operate a future enterprise. [36]

Mall Marketing Program

Springfield Mall and Lee High School, Springfield, VA 22150
Contact Person: Michael Engley, (703) 971-6000

Many high schools across the country are cooperating with local merchants in

operating shopping mall marketing programs. Students are given a hands-on opportunity to run an enterprise while receiving course credit for their work. One example is the "Marketplace", a gift shop located at the Springfield (Virginia) Mall operated entirely by marketing class students from a nearby, culturally-diverse high school. Mall managers have given the students rent-free space during the school year to locate a gift shop. A group of local business leaders provided money for the initial inventory. Originally, the program also involved lectures on marketing, merchandizing, and related topics given by mall merchants. Now, classroom instruction is offered as preparation early in the school year.

"Marketplace" is operated by students who are responsible for day-to-day management. Students in the merchandizing division keep track of which items are selling and which ones should be marked down. The finance division maintains a record of daily sales. The personnel division interviews, hires, and trains salespeople from among marketing class members. Another division, sales promotion, takes buying trips to find merchandise needed for the shop and decides how items should be promoted. "Marketplace" employs over a dozen students at any given time, who receive roughly minimum wages from revenues produced by the store. Essentially, the program offers a first-hand opportunity for young, prospective entrepreneurs to learn about retail merchandising. [37]

Minority Youth Entrepreneurship Program (MYEP)

Washington University, Olin School of Business, St. Louis, MO 63130
Contact Person: Gary Hockberg, (314) 889-6315

MYEP, run out of Washington University, exposes minority high school students in the St. Louis area to the prospects of business ownership, while at the same time encouraging their pursuit of higher education. It is offered to a select group of about 50 local high school students annually, most of whom are college bound. There is an educational component whereby the young people are taught basic business skills in finance, accounting, marketing and economics. A personal skills component helps students develop their oral and writing abilities. For an entrepreneurship component, participants get motivation from local minority owners who give speeches and hold training sessions.

MYEP is funded by some civic groups and individual minority firms in St. Louis. Students are picked by their high school guidance counselors and receive a minimum wage stipend with a chance for a scholarship. The program covers an 8-week period during which students break up daily into small groups working on a business

development strategy for a hypothetical company. As part of their preparation, they visit factories, learn about the stock market, and take university classes in various business subjects. The program is meant to convey a realistic idea of the value and methods of creating an enterprise. [38]

National Association for Female Executives (NAFE)

30 Irving Place, New York, NY 10003
Contact Person: Brenda S. Ginsberg, (212) 477-2200

The National Association for Female Executives is the largest organization of businesswomen in the United States. The NAFE Women's Foundation was formed to advance the status of working women through special projects. Recently, the Foundation launched a new program called "Esteem Teams" which pairs professional women with girls, aged 11-13, from inner-city neighborhoods. The girls are chosen by an advisory board of professionals from groups such as Big Brothers/Big Sisters and Boys & Girls Clubs of America, who judge potential candidates according to their high motivation and socioeconomic need. The girls in each Esteem Team have access to five mentors, called "coaches," with whom they can network by visiting their offices and firms. Mentors are chosen according to results from individual interviews and written tests.

Over a six-year period, the girls spend eight hours a month with their adult coaches, learning management and entrepreneurial skills. By the time participants turn 16, they are placed in special internships or learning programs designed to carry them through high school graduation. Although this is not a formal entrepreneurship training program, it offers adults as role models who are engaged in entrepreneurial activities. It also promotes social networking arrangements that can be used for enterprise initiation in later years. The program is now confined to New York City, but there are plans underway for expanding it elsewhere. Corporate sponsors will continue underwriting the costs of scheduled meetings, transportation, tutoring, retreats and other training. [39]

National Education Center for Women in Business (NECWB)

Seton Hill College, Greensburg, PA 15601
Contact Person: Cynthia Iannarelli, (412) 830-4625

NECWB was founded in 1993 with several million dollars in federal grants to stimulate research on women's entrepreneurship and promote innovative ways of teaching

girls/women about business ownership. It operates several programs that focus on the younger generation. NECWB recently sponsored a statewide competition for high school girls in Pennsylvania requiring them to complete a 12-page business plan and interview an adult entrepreneur. An evaluation panel of managers/owners picked the winners who received scholarships to NECWB's Camp Entrepreneur, a one-week summer program where girls 10-19 years old learn entrepreneurial and leadership skills. The Camp offers a computer simulation game in which participants work in teams to operate a company. Both the business plan competition and summer camp are being expanded, including an initiative involving more inner-city minority girls.

At its host college, NECWB has begun an "Entrefolio Program" to stimulate entrepreneurial thinking in students across all majors. Entrefolio, envisioned as a model curriculum for replication elsewhere, furnishes students the tools for identifying and managing resources so they can become economically self-sufficient. When students complete the program, they should understand the entrepreneurial culture and know what skills are needed for business ownership. All documented activities of Entrefolio participants are submitted to a review panel which then awards scholarships provided by area banks. An "Entreclub," many of whose members are Entrefolio students, forms a support group for individuals operating their own enterprises on campus.

To reach very young children, ages 3-10, NECWB has published a soft cover book entitled, "The ABCs of Business with Emily and the EntreKids." Through simple concepts and illustrations, the book introduces children to the idea of owning their own business someday. NECWB is marketing the book nationwide, especially concentrating on urban and rural communities where an underdeveloped economic base could be stimulated through self-employment. [40]

REAL Enterprises

1160 S. Milledge Ave., Athens, GA 30605
Contact Person: (Unknown), (706) 546-9061

REAL Enterprises, an organization active in Georgia, North Carolina and South Carolina, helps rural students design and implement business plans for enterprise development. ("REAL" stands for: Rural Education and Action Learning.) It provides entrepreneurship training to high school students, primarily in low-income rural areas. Through the program, schools receive a basic entrepreneurship curriculum, special teacher training, and some funding for business start-ups. Students receive training by working together in an enterprise "team project" between their sophomore and senior years. They begin by researching the local economy to determine new market

opportunities. They then put together a formal business plan which is presented to REAL and the school board. If the plan is approved, funding may come from either the board or REAL - or both sources.

REAL's immediate goal is to help rural high schools become effective small business incubators, as student entrepreneurs research, plan, initiate and operate their own firms. These school-based businesses eventually are scheduled to be "spun-off" when the students graduate, becoming part of the community's economic base. But REAL's ultimate purpose is actually creating jobs for young people who otherwise might not find employment in a depressed local economy. Schools would stop preparing students for out-migration, instead developing their innate entrepreneurial talent for more economic opportunities locally. Some modest successes have encouraged support for REAL by private foundations, state governments and universities. [41]

Southwest Atlanta Youth Business Organization (SWAYBO)

3687 Dover Blvd., SW, Atlanta, GA 30331

Contact Person: Edward Menifee, (404) 691-4111

SWAYBO is a private, non-profit volunteer organization begun in 1974 with a small start-up loan from a local church, where the group still meets every week. It teaches African-American children 7-18 years old, mostly from low-income and single parent families, how to operate a business. SWAYBO uses group learning methods to reinforce the underlying concepts of self-sufficiency and self-direction. During its existence, SWAYBO has grossed over \$2 million through group and individual ventures, e.g., pet care, tutoring services, babysitting, product sales, etc. Students also earn money by selling advertisements for the annual program book they write. Part of their training includes visits to companies and colleges in this country, South America, Africa, Europe, and the Caribbean, the cost of which is partially defrayed by SWAYBO business profits. The organization plans to open a dozen more chapters in Georgia, with the help of its alumni and supportive local owners. However, it receives little outside funding, being financed primarily by its director who owns an Atlanta-based consulting firm. [42]

Youth Credit Union Program, National Federation of Community Development Credit Unions

120 Wall St., 10th Floor, New York, NY 10005

Contact Person: Clifford Rosenthal, (212) 809-1850

The National Federation of Community Development Credit Unions (NFCDCU) has recently awarded grants to eleven youth credit unions, mostly in the northeast. Their purpose is to infuse low-income, minority children with concepts of business ownership, equip them with the skills to perform jobs in the financial services industry, and generally, help them develop financial responsibility. The new credit unions will be modeled after the D.E. Wells Youth Credit Union in Springfield, Massachusetts, which has 1,000 members and \$30,000 in assets. D.E. Wells is run by an 11-member youth board which offers savings accounts and loans to its equally youthful customers.

The Central Brooklyn Youth Credit Union, funded by the NFCDCU program, is scheduled to begin operations soon. It will draw membership from the area's minority children, aged 8-18, specially recruited from schools and church groups. About two dozen young people have already been trained through workshops to be the credit union's staff. Some will serve as loan officers evaluating applications for loan assistance. Others will accept and process deposits from their youthful members. Again, strictly speaking, this is not an entrepreneurship training program, but in the process of running a financial enterprise, minority young people will learn a great deal about the entrepreneurial life. If they learn it well, they may have a record like D.E. Well's where not a single loan approved by the youngsters has been delinquent. [43]

OTHER PROGRAMS

The following organizations also help minority youth prepare for business ownership, but information concerning them is not available:

AVS & Associates
610 16th St., Suite 302, Oakland, CA 94612
Contact Person: Kathleen Sullivan, (510) 251-2872

Black Business Alliance
P.O. Box 26443, Baltimore, MD 21207
Contact Person: Willie Scott, (410) 467-7427

Center on Education and Training for Employment
Ohio State University, 1900 Kenny Rd., Columbus, OH 43210
Contact Person: Ray D. Ryan, (614) 292-4353

Iota Phi Lambda
503 Patterson St., Tuskegee, AL 36088
Contact Person: Billie O. Glover, (205) 727-5210

Majestic Eagles
2029 Rhode Island Ave., NE, Washington, 20018
Contact Person: Jim Dicks, (202) 635-0154

National Association for Business Organizations
P.O. Box 30149, Baltimore, MD 21270
Contact Person: Rudy Lewis, (410) 581-1373

National Association of Black Women Entrepreneurs
P.O. Box 1375, Detroit, MI 48231
Contact Person: Marilyn French-Hubbard, (313) 341-7400

National Association of Minority Women in Business
906 Grand Ave., Suite 200, Kansas City, MO 64106
Contact Person: Inez Kaiser, (816) 421-3335

National Black MBA Association
180 N. Michigan Ave., Suite 1820, Chicago, IL 60601
Contact Person: Darryl L. Reed, (312) 236-2622

National Center for American Indian Enterprise Development
9650 Flair Dr., Suite 303, El Monte, CA 91731
Contact Person: Steven Stallings, (818) 442-3701

National Student Business League
1629 K St., NW, Suite 605, Washington, D.C. 20006
Contact Person: Amy Green, (202) 466-5487

Temple University Youth Entrepreneurship Training Program
Temple University, Philadelphia, PA 19132
Contact Person: Sandra Sowell-Scott

III. COMPONENTS AND METHODS OF PROGRAMS

The preceding section has disclosed a great variety of youth entrepreneurship programs. Some focus exclusively on serving minorities, while others reach non-minorities as well. Some try to teach entrepreneurial concepts and methods to children in the earliest grades of elementary school, but others serve older students in high school or college. A number of programs conduct their operations outside formal educational settings completely. There are programs that promote only human capital development through training youth in business ownership skills. Others furnish access to at least small amounts of financial capital used for start-up purposes, and some emphasize support network opportunities so young entrepreneurs can develop their social capital during early stages of business formation.

But in this undisputed variety, one can also discern some common elements shared by programs serving young owners. There are certain functional components which programs appear to have in common since they address the fundamental requirements of an entrepreneurial life. Together, the examples reviewed in Section II also highlight the half dozen or so universal methods employed for preparing youth to be business owners. Section III will summarize the common elements, first by briefly representing program components grouped around basic entrepreneurial functions, then by looking at standard methods for effectively reaching youthful clients who aspire to run their own enterprises.

PROGRAM COMPONENTS

Selecting A Business Venture

Youngsters going into business need to select a venture they will enjoy, is right for their particular personality, and they can perform well because of their unique skills or talents. An effective entrepreneurial program helps its clients translate an idea into such a venture even if the idea is not a new one. An old business notion applied in a new way, or to meet a new demand, can work well. Beating the existing competition with better quality service or reduced prices possibly will lead to a successful enterprise. Young people should look around their community and find potential customers who have

a need for a product/service, and then plan a business which would meet the need. In other words, they must do some informal market research estimating consumer demand, then determine how a business could satisfy the demand. Program staff members have to help their clients apply the practical means for achieving these first steps. An increased motivational impetus is also helpful in the early stages, although ultimate motivation comes from within the individual. [44]

Legal Requirements

Every business venture, no matter how small, must meet certain legal requirements imposed by Federal, state, and/or local governments before they can begin operation. The length and complexity of legal codes pertaining to enterprise operation can be discouraging for youthful entrepreneurs. The business licensing process alone may be very difficult if one is not familiar with the paperwork involved or which licensing offices to visit. An effective entrepreneurial program shows young people how applications for state and local government permits, ranging from licenses to tax requirements, should be filled out and where they should be submitted. Students also learn basic contract law, so they understand how parties to a contract are bound by legal restrictions and how a contract defines the parties' business relationships. Adequate program instruction relates knowledge about the following types of required legal action:

- Apply for a state and/or local sales tax permit if sales taxes are required on any merchandise sold retail directly to customers.
- Get an employer identification number, if employees are hired.
- Apply for a state unemployment compensation tax number, again if employees are hired.
- Meet any zoning restrictions, such as where businesses can be located, if they can be operated out of a home, where advertising signs are permitted, etc.
- Register the company name so no one else in the area may operate an enterprise under the same name.
- Pay Federal, state and local income taxes, including self-employment tax.
- Check child labor laws if anyone under age 18 is hired. [45]

Planning

In virtually every youth entrepreneurship program, students are required to write a business plan describing all facets of their proposed enterprise. A sound plan gives an owner a greater chance for success. Potential problems can be spotted before they develop by putting together a well-devised plan detailing what the entrepreneur wants to do and how he/she will do it. A comprehensive business plan includes:

- General Description
 - Type of business
 - Product or service to be sold
 - Part-time or full-time
 - Seasonal or year-round
 - Location

- Financial Plan
 - Start-up and operating costs
 - Estimated income
 - Cash flow
 - "Break even" point
 - Sales needed to turn a profit
 - Cost/price per item or service
 - Potential funding sources

- Organization/Management Plan
 - Using resources and time efficiently
 - Meeting record-keeping requirements
 - Accounting, managing finances
 - Cutting costs and waste
 - Obtaining licenses, permits, etc.
 - Hiring employees, if needed
 - Managing the overall business

- Marketing Plan
 - Attracting potential customers
 - Advertising product/service
 - Making sales projections
 - Determining competitors' strategies
 - Estimating scope of market [46]

Financing/Accounting

Youth programs teach their potential owners to keep start-up costs down by using as little materials and equipment as possible in the beginning. Typical start-up costs which must be paid cover items like inventory (merchandise to be sold), equipment (computers, tools, etc.), space rental and telephone hook-up (if not operating from home), promotion costs (signs, fliers, media ads, etc), and fees for licenses/permits. Some financial capital will be necessary, even when only a small amount. A number of entrepreneurship programs supply funding through special competitions or low-interest loans, enabling young clients to make the first step in activating their business plans. A few programs actually encourage students to contact at least one venture capital source which will familiarize them with the concept of venture capital and the procedures necessary for obtaining it. [47]

In maintaining any business operation, an owner must keep track of financial matters through a systematic accounting of all expenses and income. Students receive training in accounting procedures by filling out typical financial statements, e.g., income report, balance sheet, cash flow statement, and so on. Trainees may be taught how to keep their own mock-up set of books. In some programs, they also learn to do simulated tax returns required by Federal, state and/or local government agencies. The young trainees are learning how a practicing entrepreneur develops a responsive accounting system. [48]

Managing

Managing an enterprise, of course, involves all of the functions mentioned to this point: formulating a business idea, assessing market demand, locating financial sources, creating a systematic operational plan, keeping track of costs and income through accounting procedures, and reducing waste. But managing any kind of endeavor involves even more basic skills. One must be able to rationally choose a course of action from many available alternatives so a desired goal can be achieved. Such goals are reached by organizing resources, time and effort - whether one's own or that of others - in an efficient manner. Control must be exercised over all aspects of an enterprise by checking existing conditions against desired results indicated in the planning process. Finally, the successful owner is a competent leader who directs the actions of others concurrently with her/his own actions. No entrepreneurship program can instill these qualities in a young person but they may be coaxed and strengthened when found. [49]

Marketing

When the marketing process works well, a product or service desired by the consuming public is correctly determined by an entrepreneur who supplies the product/service at reasonable cost and accurately distributes it to meet consumer demand, earning a profit. The steps in this process are:

- Perform market research to ascertain what consumers need and how an enterprise can meet those needs.
- Design the best possible product or service that will be attractive to consumers.
- Set a fair price for the product/service, i.e., high enough to earn a decent profit but low enough to outsell competitors.
- Communicate with potential customers through advertising and other promotion techniques to build sales.
- Distribute the product/service in market segments where it has the best chance to be purchased. [50]

Preparing students for the marketing process usually involves some kind of simulation training. For example, one program has its young participants practice composing advertisements for their own prospective business by developing an ad for their favorite major company and writing a proposal to the company describing it. This helps raise awareness of marketing techniques. As part of their training, program participants make a sales pitch and, through role playing, simulate selling a product or service. They also perform research on distribution modes, including actual contacts with distributors concerning the types of product/service students wish to market. [51]

PROGRAM METHODS

Classroom Instruction

A wide range of methods for preparing future business owners can be found among youth entrepreneurship programs. Some organizations reviewed in Section II specialize in only one or two strategies, but others use several combined in different ways. None are

designed specifically for minority youth, although there are a few methods with a fairly good track record in reaching minorities. One involves the classical teaching practice, classroom instruction, altered somewhat to include entrepreneurial lessons. High schools and colleges rely on this traditional approach. Even at the K-6 grade level, many elementary schools are incorporating entrepreneurship education into their classroom curriculum, such as:

- Reading books and articles about it
- Learning what business terms mean
- Writing a business plan
- Running simulated enterprises
- Playing enterprise-type games
- Understanding economics and free markets
- Generating ideas for selling products/services
- Going on field trips to community firms
- Learning from adult owners as guest teachers
- Holding entrepreneurial fairs and expositions
- Running an actual enterprise, in or out of school [52]

For example, an urban elementary school on the east coast (Wilmington, Delaware) teaches entrepreneurship to its fourth grade pupils. On special "market days," the children form simulated companies and sell products in the classroom. They learn how money moves by participating in an in-school bank. They discuss economic concepts like supply-demand, opportunity costs, production, competition, marketing and profits. Classroom visitors, e.g., bankers and local firm owners, are brought in to mentor the students. There is an "inventor's portfolio" lesson whereby a pupil does homework on creating a product, determining production costs, and estimating market demand. These methods appear especially effective in reaching minority youngsters. [53]

Summer Institutes/Camps

Several programs examined in Section II operate summer institutes or summer camps where participants receive intensive training for one or more weeks in entrepreneurial skills. Summer programs may be run separately or as part of a larger instructional agenda. Some recruit minority high school or college students, but their curricular substance is not much different from what nonminorities experience. Essentially, summer institutes provide the following general kinds of activities:

- Present speakers and films on business.

- Introduce students to the language/concepts of entrepreneurship.
- Furnish adult advisors and mentors.
- Hold intensive workshop/seminar discussions.
- Divide students into groups or "companies" with advisors.
- Run computer business simulations where each "company" tries to produce and market a product.
- Have students create advertising for their product.
- Conduct a "business bowl" modeled after TV academic quiz shows.
- Prepare participants for later, more formal, instruction.
- Award certificates for completing the summer program. [54]

Simulations

Both the formal classroom environment and the informal summer camp utilize business simulations for entrepreneurial instruction. More often now they include computer simulations with advanced software packages portraying realistic situations that demand student decision-making and problem-solving. Students may work individually or as part of a team when running an enterprise simulation. Other electronic media are likely to be used, such as video playbacks of business role-playing relationships so students may critique their own performances. Video conference sessions bringing young entrepreneurs in two-way communication with experts across the nation are becoming more common.

This method has further positive educational consequences, particularly for those who need improved academic proficiency. When students engage in entrepreneurial simulations, they use math skills (estimating costs, calculating wages, projecting expenses, predicting budget outlays and income), language skills (creating business plans and advertisements, writing letters, maintaining journals), and mental skills (thinking about market development, designing products or services, considering how to increase profitability). Social skills are also learned when program participants work together in teams, enhancing group cooperation and mutual dependability. [55]

Competitions

Many colleges and secondary schools sponsor competitions among students who present an idea for a business venture. They may do so individually or as a team member. Competitions they enter range from purely paper projects to working ventures

already underway. Sometimes the contestants vie against each other in the same school, but other competitions are national or even international in scope. Typically, contestants submit a proposal for a new product/service, perform market research and cost analysis, then write a business plan and make an oral presentation to a panel of judges. The panel usually has owners and other business leaders who do the evaluations. Winning contestants may receive a trophy, cash awards, scholarships, etc.

Such contacts help students channel their entrepreneurial drive into developing innovative products or services and bringing them to market. Each participant learns to assess the viability of a business idea, while working cooperatively within a larger business network. Along the same lines, judges who are closely connected to the local business community may help students line up potential investors, if they are favorably impressed with a presentation. The young entrepreneur can develop social capital in this manner, so valuable for minority groups with weaker support networks. [56]

Graduate Student Consulting

A number of entrepreneurship programs employ MBA graduate student consultants to give technical advice for new or established owners. Occasionally, both the student consultants and the firms receiving assistance are minorities. Graduate students, under faculty supervision, help analyze the problems of small concerns. They do research projects for which owners may not have time, e.g., outline standard operating procedures, write long-range plans, identify new opportunities, devise market strategies. Student consultants usually receive course credit for their efforts, plus experience in an actual business environment. This is an excellent learning opportunity for them which they may turn to good use in their own future entrepreneurship. At the same time, individuals who are presently initiating a venture or expanding an existing one, obtain critical assistance. [57]

Mentoring

Mentoring is an informal type of training which accords young trainees (proteges or mentees) one-to-one business learning experiences with adult owners (mentors). It is a very useful method for conveying practical experience directly, as well as providing a first-hand, positive role model for youthful minority entrepreneurs. Besides illustrations from Section II, there is another example worth mentioning. The Columbia University Graduate School of Business runs a two-year fellowship program combining course work at the school and a nine-month mentorship training feature. Minority fellows who are in their

second or third term at Columbia work alongside senior management staff at New York-based corporations. They perform tasks required in running any business like conducting and evaluating market research, doing financial planning, and overseeing product development. Fellows are expected to perform at the same level of competence as other managers. The goals are: (1) expand opportunities for minority students in getting a practical business education, and (2) supply the American economic system with new entrepreneurs and managers. [58]

IV. SUMMARY AND RECOMMENDATIONS

Summary

Youth entrepreneurship programs have blossomed since the mid-1980s and are increasingly present in minority communities across the United States. They are defined as organizations giving systematic training to elementary, secondary, or college age youth in business ownership. In this report, thirty examples are described of programs that reach minority youth to some degree. Their growth has been important because they:

- Meet the need for awareness and exploration activities in entrepreneurship for minority youth, particularly in groups characterized by low business ownership rates.
- Instruct minority students in entrepreneurial skills that will give them a head start in the business world and an incentive to continue their education.
- Provide the knowledge needed for minority youth to compete successfully later as adults in a free market system.
- Teach the importance of, and the means to, creating capital ownership and wealth within a community and help bring economic control to the members of the community.
- Begin preparing a class of future minority entrepreneurs, especially in urban and rural areas marked by low-income populations, who can enhance business growth, create jobs, develop community resources, and stimulate the national economy.

Previous research has disclosed that young people display entrepreneurship qualities early in life, want to be business owners so they can have the freedom of being their own boss or express their creative talents, and have a fairly high expectation of becoming owners. Minority youth have the highest expectations of entrepreneurship, particularly African-Americans. But research also shows that they have little access to training programs which could help transform their desire into achievement. Thus, there is a need to find programs already in existence, then expand and supplement them so more minority youth can be served.

National level youth entrepreneurship programs reviewed in this report are:

- Association of Collegiate Entrepreneurs (New York, NY)
- Business Kids Foundation (Washington, D.C.)
- Center for Entrepreneurial Leadership (Kansas City, MO)
- Cities in Schools, Youth Entrepreneurial Project (Alexandria, VA)
- Distributive Education Clubs of America (Reston, VA)
- Extension Service, 4H Youth Workforce Preparation Program (Washington, D.C.)
- Future Business Leaders of America/Phi Beta Lambda (Reston, VA)
- Junior Achievement (Colorado Springs, CO)
- Midas Touch Program, Volunteers of America (Los Angeles, CA)
- National Foundation for Teaching Entrepreneurship (New York, NY)
- Operation Enterprise, American Management Association (Hamilton, NY)
- Students in Free Enterprise (Springfield, MO)
- Trickle Up Program (New York, NY)
- Young Entrepreneurs Program, Milken Institute (Bala Cynwyd, PA)
- Youth Business Internship Program, National Minority Business Council (New York, NY)

Local and Regional level youth entrepreneurship programs reviewed in this report are:

- Center for Teaching Entrepreneurship, Heartland Institute (Chicago, IL)
- Center for Teen Entrepreneurs (New York, NY/Newark, NJ)
- Citizen's Committee for New York City (New York, NY)
- Cooperative Assistance Fund (Washington, D.C.)
- Education, Training, and Enterprise Center (Camden, NJ)
- EntreCon-High School Conference on Entrepreneurship (Philadelphia, PA)
- Entrepreneurial Development Institute (Washington, D.C.)
- Initiative for a Competitive Inner City (Boston, MA)
- Mall Marketing Program (Springfield, VA)

- Minority Youth Entrepreneurship Program (St. Louis, MO)
- National Association for Female Executives (New York, NY)
- National Education Center for Women in Business (Greensburg, PA)
- REAL Enterprises (Athens, GA)
- Southwest Atlanta Youth Business Organization (Atlanta, GA)
- Youth Credit Union Program (New York, NY)

Despite the great variety of youth entrepreneurship programs, they have several functional components in common and use several universal methods. Program components include: selecting a business venture, legal requirements, planning, financing/accounting, managing, and marketing. Standard methods encompass traditional classroom instruction (with some variations), summer institutes/camps, simulations, competitions, graduate student consulting, and mentoring. These major components and methods are reviewed in the report. Together, they comprise a suggestive model for developing other youth entrepreneurship programs.

Since this is a new field for research analysis, and its subject matter keeps expanding, the report's findings are provisional until more comprehensive studies can be done. Nevertheless, the insights discerned here will be applied to possible policy directions for the Minority Business Development Agency (MBDA) or other organizations advocating youth business ownership.

Recommended Policy Directions

Critical analysis of entrepreneurship programs reaching minority youth reveals many positive and some negative results. Positive results are indicators of successful programs and can be adopted by MBDA when evaluating its own future efforts or those of other agencies. Negative results may be used as indicators of unsuccessful programs. Two recommendations follow from such analysis:

Recommendation #1.

MBDA should apply these indicators for determining successful programs; clients will have upon completion:

- Greater awareness of entrepreneurship as a personal career choice.

- Greater comprehension of the importance of business ownership in a free market economy.
- Better understanding of financial, human, and social capital requirements in operating an enterprise.
- Ability to determine entrepreneurial opportunities, according to industry, location, etc.
- Knowledge of fundamental business methods, such as planning, financing, accounting, and managing.
- Skill in determining scope of potential consumer markets and customer needs.
- A workable start-up operation producing some income.

Recommendation #2.

MBDA should apply these indicators for determining unsuccessful programs: clients will upon completion:

- Believe that working for someone else is somehow undesirable.
- Narrow career choices too early in the education process by emphasizing business ownership exclusively.
- Have the impression that self-respect and self-esteem are equated only with the ability to make money.
- Forego higher education opportunities to make money immediately.
- Be convinced they already know everything there is to know about business.
- Fail to initiate a viable, income-producing enterprise.

Recommendation #3.

MBDA should create and disseminate its own youth programs, if budgetary means permit. Also, MBDA should leverage its resources to encourage other public and private sector organizations in their youth entrepreneurship efforts.

MBDA is the lead agency within the Federal government providing assistance in the formation and expansion of minority firms. MBDA also needs to take leadership in promoting entrepreneurial preparation for minority youth, who will be the business owners of the future. (See the remaining strategies for ways the Agency might accomplish that goal.)

Recommendation #4.

As part of its leadership duties in youth development, MBDA must have a better grasp of what is being done in the areas it serves, and where the most critical needs are. MBDA should conduct assessments through local surveys to discover:

- What youth entrepreneurship programs already exist, how well they reach minority clients, and if they have been successful.
- What barriers may have prevented business ownership training from being more widely adopted.
- What interest and support there are among community leaders for placing more emphasis on entrepreneurship as a career path.
- What educational levels should be targeted for assistance first.

Recommendation #5.

MBDA should give assistance to educational institutions for designing curricula which will, first, show minority youth the real possibility of business ownership as a career and, second, provide early introduction to economics, entrepreneurship skills, and venture initiation.

Attention given to entrepreneurship should be increased at all educational levels. Courses and programs ought to be available for students desiring a career in this field, just as they are for other subjects. Business ownership can be treated as an attainable career option, and its pursuit evolve as a curricular goal not only in high schools and colleges but at earlier levels as well.

Recommendation #6.

At the college level, MBDA policy to encourage minority youth in business ownership could take one or more programmatic directions, such as:

- Supplying minority enterprise college scholarships and fellowships.
- Creating minority business training centers and special conferences at selected institutions.
- Establishing minority chapters, or increasing minority membership in existing chapters, of national college youth programs.

- Organizing a national mentor program to give young people direct learning experiences with minority company owners.

Recommendation #7.

At the secondary school level, MBDA policy to encourage minority youth in business ownership could take these programmatic directions:

- Founding MBDA youth entrepreneurship clubs in high schools.
- Organizing community mentor programs where local adult owners can teach high school juniors and seniors.
- Sponsoring trade fairs for teen owners who want to exhibit their products/services.
- Supporting current summer entrepreneurship institutes and camps, or creating new ones (see next recommendation).

Recommendation #8.

MBDA should serve as a catalyst for developing summer institutes/camps that promote minority youth entrepreneurship and give technical assistance to groups interested in forming new ones.

As seen in this report, learning business skills in the informal atmosphere of a summer camp is a technique used by many programs and has been proven effective. It is also an excellent way to encourage novice business contacts when different community groups and leaders cooperate in running a summer program. MBDA should develop expertise in this method so it can be disseminated even more widely.

Recommendation #9.

MBDA, through its local MBDCs and regional offices, should work with business groups, trade associations, chambers of commerce, etc. to form programs where minority owners would be "big sisters and brothers" for young people.

As role models, these individuals can give emotional and social support, pass on skills through mentorship activities, show youth how actual firms operate, and provide working experience by "on-the-job" training opportunities. Here is a direct means for making

social capital more available to youth who need it most. Economically disadvantaged persons and those from single-parent families probably fall in the latter category. School "drop-outs" who are outside the established educational system are also in great need for positive role models.

Recommendation #10.

MBDA should support private and public sector organizations that furnish loans and technical assistance toward microenterprise development.

Over 200 microenterprise programs are now operating in the United States, most of them focusing on low-income, inner-city and rural areas where minority young people have great difficulty finding employment. MBDA's role would be to act as a facilitator for mobilizing resources within the Commerce Department, other government agencies, and private sector groups for pursuing a microenterprise strategy. Helping them enlarge their services to young people is a necessary subgoal.

Recommendation #11.

MBDA should help aspiring young entrepreneurs become part of local minority business support networks which would increase social capital resources and possibly lead to greater human and financial capital.

Youth program participants can be introduced to the services of all local agencies and organizations assisting the minority owner. Foremost among support network members is the minority business development center itself, too often a largely unknown entity locally. MBDCs must market their services better and reach young people in the community. Then, they can also publicize other elements of the support network, including SBA centers, college/school programs, chambers of commerce, community development corporations, church groups, and so on. Young entrepreneurs need to recognize the support network, tap into it for training assistance and, in some cases, obtain start-up funding.

Recommendation #12.

MBDA should bring on board one or more experts from existing youth entrepreneurship programs, either as consultants or permanent staff members, to help direct MBDA's youth initiative.

There is a large, growing pool of expertise (especially in the private sector, as disclosed in this report) represented by program managers who have successfully served young clients. MBDA needs such expertise or it will be hampered in promoting minority youth business ownership. Tested leadership is as critical as sufficient budgetary funding for an effective youth initiative. At the very least, outside experts can train internal MBDA staff in program operations.

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APPENDICES

Mayor Sharon Pratt Kelly's

SUMMERWORKS '94

District of Columbia

Department of Employment Services

Business Kids Entrepreneurship Institute

**The Business Kids Foundation
The Greater Washington Boys and Girls Clubs
and members of
The Greater Washington Board of Trade**

**Merritt School
50th and Hayes Street, NE
Washington, DC**

June 27 - August 5, 1994

BUSINESS KIDS ENTREPRENEURSHIP INSTITUTE

Monday, June 27

8:00am Registration

Commons

9:00am

Opening General Session

Commons

Welcome and Introductions

Institute Goals and Overview

Edward J. Burakowski

Executive Director, The Business Kids Foundation

Ken Darden

Executive Director, The Greater Washington Boys and Girls Clubs

Nancy Shannon

Principal, Merritt School

Guest Speaker

Charles T. Nason

President, Acacia Group

Chairman, The Greater Washington Board of Trade

10:15am Break

10:45am-Noon Morning Sessions

Participant Data Survey

Why do people become entrepreneurs?

The Business Kit

Instructors -

Ms. Vanessa King/Ms. Vallie Dean

Level 4

Mr. Paul Ford/Ms. Jacqueline McDonald

Level 4

Dr. Robert Loftus/Ms. Morris Bowers Blaine

Level 4

Ms. Francis Wyche/Mr. Carlton Jack

Level 4

Tuesday, June 28

8:00am Morning Sessions

Level 4

The World of Business

Black Excellence: The Entrepreneurs

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Level 4

Wednesday, June 29

8:00am - Morning Sessions

Level 4

Business Start-up Options

10:00am Break

10:30am-Noon General Session

Commons

Guest Speakers -

Africa Brown, Africa's Clothing, '93 Institute Participant

Steve Lovett, Lovett Enterprises

BUSINESS KIDS ENTREPRENEURSHIP INSTITUTE

Thursday, June 30

8:00am Morning Sessions Level 4

Goal setting - daily routine - personal journal
Choosing the Right Business for You

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Friday, July 1

8:00am Morning Sessions Level 4

Entrepreneurship Exam

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Tuesday, July 5

8:00am Morning Sessions Level 4

Organizing A Small Business

8:30am Business Shadowing Vans Depart

Ms. Vallie Dean/Ms. Vanessa King Group
Mr. Paul Ford/Ms. Jacqueline McDonald Group

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Wednesday, July 6

8:00am Morning Sessions Level 4

Legal Business Structures

How to Register the Business in Washington, DC

10:00am Break

10:30am-Noon General Session Commons

Guest Speaker - Derry Blunt
Essex Construction Corporation

Thursday, July 7

8:00am Morning Sessions Level 4

3 Cs - Customer, Competition, and Climate
Market Research - Why? Why Not?

8:30am Business Shadowing Vans Depart

Dr. Robert Loftus/Ms. Morris Bowers Blaine Group
Ms. Francis Wyche/Mr. Carlton Jack Group

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Friday, July 8

8:00am Morning Sessions Level 4

The Business Plan as a Map
3 Aspects of Any Business

10:00am Break

10:30am-Noon Morning Sessions (Continued)

BUSINESS KIDS ENTREPRENEURSHIP INSTITUTE

Monday, July 11

8:00am Morning Sessions Level 4
 Simple Record Keeping
 Profit and Pricing

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Tuesday, July 12

8:00am Morning Sessions Level 4
 Costs, Start-up, Fixed and Variable

8:30am Business Shadowing Vans Depart
 Ms. Vallie Dean/Ms. Vanessa King Group
 Ms. Jacqueline McDonald/Mr. Paul Ford Group

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Wednesday, July 13

8:00am Morning Sessions Level 4

10:00am Break

10:30am-Noon General Session Commons

Thursday, July 14

8:00am Morning Sessions Level 4

8:30am Business Shadowing Vans Depart
 Hands on Problem Solving
 Mastering Management
 Ms. Morris Bowers Blaine/Dr. Robert Loftus Group
 Mr. Carlton Jack/Ms Francis Wyche Group

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Friday, July 15

8:00am Morning Sessions Level 4
 Tour of Area Business Bus Departs
 The Functions of Management

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Monday, July 18

8:00am Morning Sessions Level 4

Money Management - Business and Personal
 Savings for the Future

Tuesday, July 19

8:00am Morning Sessions Level 4

8:30am Business Shadowing Vans Depart
 Special Business Assignments
 Name that Business
 Ms. Vallie Dean/Ms. Vanessa King Group
 Ms. Jacqueline McDonald/Mr. Paul Ford Group

10:00am Break

10:30am-Noon Morning Sessions (Continued)

BUSINESS KIDS ENTREPRENEURSHIP INSTITUTE

Wednesday, July 20

8:00-8:15am Morning Sessions Level 4
 8:15-10:00am General Session Commons

Guest Speakers - David R. Smith, Esq.
 Attorney
 Alexander, Gebhardt, Aponte & Marks
 Frank Brown, Editor
 YSB Magazine

10:00am Break Commons
 10:30am-Noon General Session

Guest Speakers - Sydney Gibson, Vice President
 Essex Construction
 Joe Riley
 Chairman, Trust Services
 Crestar Bank

Thursday, July 21

8:00am Morning Sessions Level 4

Why Marketing A Business Matters
 What Does Marketing Involve?
 Who Does Marketing Involve?

8:30am Business Shadowing Vans Depart
 Dr. Robert Loftus/Ms. Morris Bowers Blaine Group
 Mr. Carlton Jack/Ms. Francis Wyche Group

10:00am Break
 10:30am-Noon Morning Sessions (Continued)

Friday, July 22

8:00am Morning Sessions Level 4

Marketing

10:00am Break
 10:30am-Noon Morning Sessions (Continued)

Monday, July 25

8:00am Morning Sessions Level 4

Hands on Marketing and Advertising
 Posters, Flyers and Business Cards

10:00am Break
 10:30am-Noon Morning Sessions (Continued)

Tuesday, July 26

8:00am Morning Sessions Level 4

Why Prepare a Business Plan?
 Business Plan Development

8:30am Business Shadowing Vans Depart
 Ms. Vallie Dean/Ms. Vanessa King Group
 Ms. Jacqueline McDonald/Mr. Paul Ford

10:00am Break
 10:30am-Noon Morning Sessions (Continued) Level 4

BUSINESS KIDS ENTREPRENEURSHIP INSTITUTE

Wednesday, July 27

8:00-8:15am Morning Sessions
8:15-10:00am General Session

Level 4
Commons

Guest Speakers - Fred Johnson
Firemen's Insurance Company of Washington

10:00am Break

10:30am-Noon General Session

Commons

Guest Speakers - Charito Kruvant
Creative Associates, International
Robert Freeman
District of Columbia Life & Health
Insurance Guaranty Association

Thursday, July 28

8:00am Morning Sessions

Level 4

Entrepreneurship Exam
Business Plan Development

8:30am

Business Shadowing

Ms. Morris Bowers Blaine/Dr. Robert Loftus Group
Mr. Carlton Jack/Ms. Francis Wyche Group

Vans Depart

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Friday, July 29

8:00am Morning Sessions

Level 4

Tour of Area Business
Business Plan Development

Bus Departs

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Monday, August 1

8:00am Morning Sessions

Level 4

Business Plan Development

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Tuesday, August 2

8:00am Morning Sessions

Level 4

Final Business Plan Presentations
(7 - 10 Minute Presentation)

10:00am Break

10:30am-Noon Morning Sessions (Continued)

Wednesday, August 3

8:00-8:15am Morning Sessions

Level 4

Business Plan Reviews
Thank you letters to speakers and tour sites

10:00am Break

10:30am-Noon Morning Sessions (Continued)

BUSINESS KIDS ENTREPRENEURSHIP INSTITUTE

Thursday, August 4

8:00am	Morning Sessions	Level 4
	Complete Institute Evaluation	
	Complete DOES SUMMERWORKS '94 Evaluation Survey/Interview	
10:00am	Break	
10:30am-Noon	General Session	Commons
	Guest Speakers -	
	Debra Gandby	
	Signet Bank	
	Louise Lynch	
	Courtesy Associates Inc.	

Friday, August 5

8:00am	Morning Sessions	Level 4
	Administrative and Performance Reviews	
9:30am	Break	
10:00am-Noon	Graduation and Awards Program	Commons
	Welcome and Introductions	Edward J. Burakowski Executive Director, Business Kids Foundation
		Ken Darden Executive Director, The Greater Washington Boys and Girls Clubs
	Keynote Speaker	Delano Lewis President & CEO National Public Radio Top 5 Students
	Student Business Plan Presentations Presenters	Nasir M. Ashemimry President Business Kids Foundation
		Ms. Vallie Dean Ms. Vanessa King Ms. Jacqueline McDonald Mr. Paul Ford Ms. Morris Bowers Blaine Dr. Robert Loftus Ms. Francis Wyche Mr. Carlton Jack
	Awards	Top Eight Most Improved Entrepreneurship Exam Scores Top Eight Entrepreneurship Exam Scores Top Four or Eight Business Plans and Presentations
	Graduation	Certificate of Entrepreneurship

Wednesday, August 10

9:00am-Noon Pick up Participant Payroll Checks Merritt School

Wednesday, August 17

9:00am-Noon Pick up Participant Payroll Checks Merritt School

1993



DECA GUIDE



1994



**DECA
COMPETTIVE EVENT
GUIDELINES ●●●●●●●●●●**

DECA . . .

Meeting the Global Challenge



Entrepreneurship Written Event, 1994

Sponsored by

**The Education Foundation of the
National Federation of Independent Business**

Objective

The Entrepreneurship Written Event provides the participant with the opportunity to

1. prepare a written proposal for a new business
2. request financing for the proposal in a role-playing interview with a bank or venture capital official

Description

The Entrepreneurship Written Event involves the development of a proposal to start a new business, a self-analysis (including the willingness to take risks), an analysis of the business situation, a description of the way the business will operate and detailed plans for financing the business through its first five years of operation. Any type of business may be used. The written document accounts for 72 points; the interview accounts for 28 points.

Competencies the Participant Will Develop

- ability to use oral and written communication skills
- general knowledge of the total business or industry that is being entered
- understanding of the basic steps involved in starting a small business
- ability to interpret financial statements
- ability to self-evaluate personal skills, knowledge, abilities and willingness to take risks
- knowledge of components of gross and net profit
- knowledge of customer needs

Participant Instructions

All of these guidelines are your instructions. Read everything carefully, including the Judge's Instructions and the two Evaluation Forms. They explain what you have to do.

The major emphasis of the written entry is on the content. Graphic presentations (where allowed) will be judged for clarity, not artistic value.

Information about starting a new business may be obtained from your teacher/coordinator, businesspeople, your training station, government agencies (such as the Small Business Administration) and the library.

You are encouraged to use an advisory committee to help gather information, check your plans for realism and prepare your entry. One or two businesspeople, a bank loan officer and an English teacher (to help with the writing) make a good advisory committee. Your teacher/coordinator can help you find appropriate advisory committee members.

Guidelines for Format of the Written Entry

Your written entry must follow these specifications *exactly*. Refer also to the Written Entry Checklist and the Written Entry Evaluation Form.

The first page of the written entry is the *title page*, which lists the following:

ENTREPRENEURSHIP WRITTEN EVENT

Type of business proposed

Name of DECA chapter

Name of high school

School address

City/State/ZIP

Participant's name

Participant's home address

City/State/ZIP

Date

The title page will *not* be numbered.

Table of contents. The second page is the table of contents which must list every heading of every section and the page on which that section starts. The table of contents may be single-spaced. The page(s) will not be numbered.

Body of the written entry. The body of the written entry starts with Section I, Introduction and continues in the sequence outlined here. The first page of the body is numbered 1 and all following pages are numbered in sequence. The numbered pages continue through the bibliography and appendix (if applicable).

Follow this outline when you write your proposal. Points for each section are on the Written Entry Evaluation Form.

I. INTRODUCTION

Type of business proposed, brief description of major product/service involved. Sources of information (interviews and research sources), brief description of advisors and their involvement

II. ANALYSIS OF BUSINESS SITUATION

A. Self-analysis

personal business experience and training/education in proposed field, personal business strengths and weaknesses, demonstrated willingness to take risks, brief plan for personal development in proposed field

B. Trading area analysis

general data: geographic, demographic, economic; competitive data: present competitors (listed and briefly described), competitive advantages and disadvantages of proposed business

C. Market segment analysis

target market (age, income level, population estimate, other specific demographic and economic information), customer buying behavior related to proposed business

- D. Analysis of potential location(s)
availability, cost (rent or buy), traffic patterns, proximity to competition, etc.
- III. **PLANNED OPERATION OF PROPOSED BUSINESS**
- A. Proposed organization
type of ownership and rationale; start-up steps to form business; planned personnel (or functional) needs; proposed staffing to handle managerial, financial, marketing, legal, production (if applicable) functions; proposed organization chart, brief job descriptions, if necessary
- B. Proposed product/service
details of product(s)/service(s) to be offered; include potential suppliers, manufacturing plans, inventory policies, if applicable. If business is a service business, appropriate information about plans to provide the service, including necessary supplies, etc.
- C. Proposed marketing strategies
proposed pricing policy; costs, markups, markdowns, relation to competition, etc.; proposed promotional program; personal promotional activities; nonpersonal promotional activities; media availability, costs, one-year promotional plan outline
- IV. **PLANNED FINANCING**
- A. Projected income and expenses (The following are recommended items to be included. You may select the appropriate items for your business.)
1. projected income statements by month for first year's operation (sales, expenses, profit/loss)
 2. projected cash flow for first year
 3. projected cash flow by month for first year's operation
 4. projected balance sheet, end of first year
 5. projected five-year plan
 6. a brief narrative description of the planned growth of the proposed business, including financial resources and needs
- B. Proposed plan to meet capital needs (The following items are recommended for inclusion. You may select the appropriate items for your business.)
1. personal and internal sources
 2. earnings, short-term and long-term borrowing, long-term equity
 3. external sources
 4. short-term and long-term borrowing, long-term equity (if applicable)
 5. repayment plans
 6. plan to repay borrowed funds or provide return on investment to equity funds
- V. **CONCLUSION**
Specific request for financing, summary of key points supporting financial request
- VI. **BIBLIOGRAPHY**
- VII. **APPENDIX (if applicable)**
Include in the appendix any exhibits appropriate to the written entry, but not important enough to include in the body; these might include sample questionnaires used, letters sent and received, general background data, minutes of meetings, etc.

Written Entry Checklist Standards

In addition to following the outline above, when preparing your written entry you must observe all of the following rules. The purpose of these rules is to make competition as fair as possible among participants. Refer also to the Written Entry Checklist.

1. The entry must be submitted in an official DECA folio (*not* a DECA three-ring binder). Folios are available from DECA Images. No markings, tape or other material should be attached to the folio. You may keep a copy for use in the interview.
2. Sheet protectors may *not* be used.
3. The body of the written entry must be limited to 40 numbered pages, including the appendix (if an appendix is attached) but excluding the title page and the table of contents page.
4. The pages must be numbered in sequence, starting with the introduction and ending with the appendix (if applicable). The title page and the table of contents page need not be numbered. Do not use separate sheets between sections or as title pages for sections. Do not attach any material after the last numbered page.
5. Major content of the written entry must be at least double-spaced (not space-and-a-half). The title page, table of contents, bibliography, appendix, footnotes, long quotes, material in tables, figures and exhibits, headings, lists, sample letters, etc. may be single-spaced.
6. The entry must be typewritten or word processed. Charts and graphs may be handwritten. Handwritten corrections will be penalized.
7. Judges will be instructed to ignore attempts to achieve an advantage due to the quality of word processing equipment available.
8. Colors or colored paper *may not be used*. All material must be on standard typing paper in black and white.
9. Fold-outs, attachments, paste-ups, photographs, tabs, etc., may not be used. All material must be shown on standard 8½-inch x 11-inch typing paper.
10. Artwork is not permitted. Tables, charts, maps and figures are not artwork and are, therefore, permitted. Computer-generated graphics and page borders are considered artwork.
11. The entry must follow the sequence outlined above. No sections may be added. Sections not included will be given *zero* scores by the judges.

Guidelines for the Participant Interview

1. The interview will be limited to 15 minutes.
2. The interview will be worth 28 points.
3. The participant will spend not more than five minutes at the beginning of the interview describing the proposal and making the request for financing.
4. The judge(s) will spend the remaining 10 minutes questioning the participant (see Interview Evaluation Form).
5. The participant may bring a copy of the written entry to the interview for referral. No other material may be brought to or used during the interview by the participant.

Judge's Instructions

The Entrepreneurship Written Event was created by DECA in response to the high priority now being given to entrepreneurship training by various government agencies at all levels and by business leaders from the private sector.

Basically, each of these potential entrepreneurs has written a detailed description of a proposed new business, including an analysis of the business situation, planned operation of the proposed business and planned financing. Playing the role of a potential source of capital for the business, you are to evaluate the written document and then interview the participant, as if you were actually going to approve (or disapprove) the request for financing.

Judging the Written Entry

Please familiarize yourself with *all* of the guidelines before starting to evaluate the written entry.

Penalty points (see Written Event Checklist) have already been assessed. Your job is to complete the Written Entry Evaluation Form. As you evaluate the written entry, be sure to

1. Place the participant's name and identification number in the upper right-hand corner of the evaluation form.
2. Circle the appropriate score for each section.
3. Write the score given in the space provided in the right-hand margin. No score circled or extended means that the participant will receive a *zero* for that area.
4. Double-check to ensure you have scored every category.
5. You may be asked to total your score. The event manager will double-check all addition.
6. Maximum score on the written entry is 72 points.

The Written Entry Evaluation Form follows the outline shown in the section entitled Guidelines for the Format of the Written Entry, which explains in greater detail what should be discussed in each section. As you read, ask yourself, "Will this work? Is it realistic? Does the writer sound knowledgeable? Is the writer communicating clearly?" Ultimately, you must decide, "Would I lend money to or invest in this person and this proposal?"

A maximum score "Exceptionally Well Done" means that, in your opinion, the information is presented in an effective, creative way; in effect, nothing more could be expected of an applicant, and the material has been presented in an imaginative way.

A "Well Done" rating means that the information is presented well. Though there may be a few minor problems or omissions, they are not significant. Creativity, however, is not shown to any great degree. PLEASE NOTE that this score is underlined throughout the EVALUATION FORM. A proposal that earns total points of 71 would probably get all or a major portion of the requested financing. A total score of 71 or better will earn the participant DECA's Certificate of Excellence.

An "Adequately Done" score means that the information is presented adequately. It meets minimum standards of acceptability.

A "Little Value" score means that some major flaw has been noted that damages the effectiveness of the proposal. This may be a major omission, a serious misstatement, poor writing or any other major flaw.

A "No Value" score means that the information presented is of no value. It is presented in such a way that it does not help the proposal at all.

It may help to go through several entries before actually starting to score the entries. Take notes on a separate sheet of paper if you wish to ask the participant about specific areas of the proposal during the interview.

Judging the Interview

Each participant will appear for a 15-minute interview with you. Remember, you are role-playing a loan officer or venture capitalist. You may refer to the written entry, or to your notes, during the interview.

Please place the participant's name and identification number in the upper right-hand corner of the Interview Evaluation Form.

During the first five minutes of the interview (after introduction), the participant will outline the proposal and make the request for financing. Allow the participant to complete this portion without interruption, unless you are asked to respond.

During the final 10 minutes, you may question the participant. The first four questions must be based on the Interview Evaluation Form (parts II, III, IV A and IV B). To ensure fairness, you must ask each participant the *same* four questions:

1. one question on analyzing the business situation
2. one question on planning the operation of the proposed business
3. one question on planning income, cash flow and financial position
4. one question on planning to meet financial needs

You should prepare these four questions after you have evaluated the written entries, but before the interview starts. After asking the four questions, you may ask any other questions which seem appropriate, based on your notes or on the written entry itself (to which you may refer during the interview).

At the end of the interview, thank the participant, state that a decision on the financing will be made soon and that the participant will be notified of the decision. Then complete the Interview Evaluation Form, making sure to record a score for all categories. Maximum score for the interview is 28 points.

You may be asked to complete the recap section and total your combined score for both the written entry and the interview. The event manager will double-check all addition.

We thank you for your help.

COOPERATIVE ASSISTANCE FUND, INC.

For Immediate Release



Contact: Patricia D. Jacobs
President
Beth Cole
Development Consultant
202/833-8543

Loans Made to Young Entrepreneurs

Washington, D.C.; June 21, 1994...The Cooperative Assistance Fund announced today the first round of financing to young entrepreneurs in the District of Columbia between the ages of 13 and 17. Loans of up to \$500.00 were made to five small business owners in time to purchase inventory and equipment for this summer's activities.

Recipients of the loans will be recognized at a luncheon June 22nd in which District of Columbia Mayor Sharon Pratt Kelly will be the featured speaker.

The businesses that will receive the financing are:

- Wees T's started by Glen Knight, a T-shirt design and distribution company, which provides original t-shirt designs and high volume customized orders. Mr. Knight's business plan states that "Wees T's is different from other T-shirt businesses because it displays positive images on shirts that seek to enhance the community and promote unity." The company will

-- more --

also serve retailers and community groups by producing neighborhood shirts, event shirts, company shirts, school shirts, and African-proverb shirts.

- A and P Games founded by Antoine Jeter and Phillip Harvin in 1992, an educational entertainment company. Their first product is a board game called "Small Business," and they currently have more than one hundred orders to fill. A & P's total business package requires more than \$10,000 for production costs, but CAF's initial investment will provide the capital for the owners to continue marketing their product.

- The Technology Student Association's loan request presented by Marquette Mackey and Emem Axpan. TSA students are involved in several entrepreneurial activities, including the development and sale of several products: AQUAVISION, aquariums made from converted television cabinets; BANNERMANIA, banners for teachers sold at 10 cents per character; and CROSSWORD MAGIC, subject matter puzzles sold to teachers.

- The Shifaw Shirts business begun by Bikini Shifaw of Cardozo High School who designs and sells shirts for his school's athletic departments, bands,

and clubs. He has other students working with him to design and sell his products and he has plans to expand his business to other schools and clubs.

• Jadona's Braids, a sole proprietorship that has already earned more than \$1,000 this year. Jadona Coates, a Cardoza student, has a hair braiding business in her home. She has Sunday specials, offers treats to all of the young people, and charges less than her competitors to attract customers. Her long term plans are to complete school while doing this work on afternoons and week-ends. By working and completing school, she feels that she is also being a positive role model for her young daughter. Eventually she hopes to get her hair license and open a full-service salon. CAF's loan will allow her to purchase a salon chair for her customers' comfort and a stool for herself.

Each of these young people is part of an entrepreneurial training program. They submitted business plans and applications to CAF, and made presentations before an advisory committee of community leaders and CAF Board members, who then made determinations about their requests. Their directors, and, in some cases, teachers will continue to provide guidance to the students throughout the term of the loan, which is one year. These recipients work with

-- more -

one of the following programs: The Entrepreneurial Development Institute (TEDI), Melissa Bradley, Director; The Technology Student Association of the Patricia Roberts School, Elizabeth Davis, Advisor and Douglas Carter, Director, Mayor's Youth Initiative Office; Cardozo High School DECA, Mrs. Lofland, supervisor and Dr. Cynthia M. Bell, Director.

CAF will hold additional loan review meetings throughout the Summer and Fall to consider loan requests from young people who are enrolled in one of the entrepreneurial training programs in the region.

For additional information, contact Patricia Jacobs at 202/833-8543.

#

The Cooperative Assistance Fund is a non profit organization which provides assistance in the form of loans, loan guarantees and equity investments to small and/or minority businesses in disadvantaged communities in the Washington, D.C. area. It was established in 1968.

YaDonnja Hawkins, President
Magical Rainbow Books

Jeannine Moore, VP Marketing
Magical Rainbow Books

Phillip Harvin, President
A & P Games

Antione Jeter, Vice President
A & P Games

Fernando "Nando" Martinez,
Executive Producer
**"Pass it On" WPFW 89.3 FM
Youth Talk Show**

Nichelle Mills,
Slimline Bookset Inventor
Venus Global Co.

Maria Johnson, Vice President
NationsBank

Jamieka Thomas
Vice President of Finance
Positive Images

Glenn Knight, President
Wees T's

Lynn Jenkins-English
Resource Development Specialist

Crystal L. Gaskins, President
Gaskins Search Group

Tony Reed, President
Ghetto Wear

Aaron J. Rice, President
Kawamba Enterprises

Marsha Middleton, Director
Youth and Leisure Services
Northwest Settlement House

John Johnson, President
Street Games

Brad Pine, Executive Director
First Book

L'Tanya Buck, Director
OSEI Rites of Passage Program

Melissa L. Bradley
Executive Director
**The Entrepreneurial Development
Institute (TEDI)**

Dana Woodruff
Human Resource Management
The American University



NATIONAL YOUTH BUSINESS SUMMIT

LIST OF PANELISTS

NATIONAL YOUTH BUSINESS SUMMIT

March 24, 1994

Sponsored by:

The Entrepreneurial Development Institute (TEDI)

Co-Sponsors:

Howard University Small Business Development Center
Subway Sandwich Shop
Pepsi Cola of Washington, DC
D.C. Private Industry Council
United Black Fund
Howard University Student Association
Capitol Signs
NationsBank
Penguin Communications

*Special thanks to all of the co-sponsors who contributed
to the success of this event!*

NATIONAL YOUTH BUSINESS SUMMIT

Presented by: The Entrepreneurial Development Institute (TEDI)

WHAT DOES IT TAKE TO BE AN ENTREPRENEUR ?

So, you're thinking of going into business for yourself? In order for you to be successful in business, there are FOUR things you need:

- (1) a solid business plan
- (2) dedication and the willingness to work hard
- (3) knowledge of finance, marketing, and organizational development
- (4) a business idea you enjoy or are passionate about

To help you begin the planning process here is a checklist of important issues for you to consider before taking the plunge:

KEY QUESTIONS:

- Do you consider yourself a leader ?
- Do you plan before you act ?
- Do you get along well with others ?
- Are you prepared to work long hours and sacrifice some free time ?
- Do you know where to get business and technical assistance if needed ?

THINGS TO DO:

- **Think about what is needed in your community and how you can meet the needs of area residents.** *Remember, people do not go into business to make money, but rather to provide a product or service that is needed or wanted by customers that generates money.*
- **Seriously consider how much time and money you have to put into this business.** *The best thing is to start small and grow big; the worst thing is to overextend yourself and not have enough time or money to run a successful business.*
- **Think about who your customers will be and why they will come to your business instead of the competition.** *You must make sure that you provide a product or service that customers want and can afford. The best way to gain customers is to gain their trust, so get to know your customers.*
- **Consider your competition and determine your strengths and weaknesses in comparison to the other businesses.** *Never get into a marketing war with your competition because valuable money will be wasted on advertising that could be better spent on products or personnel.*

- **Understand the purpose of your business and adopt a name and mission that are compatible.** *The last thing you want to do is to confuse the consumer or send mixed messages.*
- **Select a location that is affordable and determine a distribution system to get your products or services to the consumer.** *If you provide a service that goes to the consumer then you do not need expensive space because you will rarely be there. On the other hand, if the customers come to you, make sure the location is accessible, safe, and visible.*
- **Determine a legal structure:** *a Sole Proprietorship is a business or company owned by one (1) person, a Partnership is two or more persons entering into business together, each owning a share of the business, and a Corporation is a separate, legal company with stockholders.*
- **Locate a lawyer and accountant.** *Even if you have these skills, you will be so busy that you will not have time to do these things well. The last thing you want to do is violate the law or misuse or misplace funds--ask the professionals.*
- **Document your ideas in great detail and develop a business plan.** *A business plan is the "road map" to your success, as well as your selling document to potential funders.*
- **Never Give Up !!!!!!**

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HOW TO DEVELOP A BUSINESS PLAN

Now that you have developed a business idea, it is time to get it in writing. In order to compile a successful business plan, there are a few areas you must address:

PURPOSE OF THE BUSINESS PLAN:

A completed business plan is a means for communicating your ideas to others and provides a means for locating financing your business. A business plan is written to serve as a guide for your particular daily operations, long-term planning, and a discussion document for requesting start-up funds with potential investors. Every business plan is different and unique.

THE CONTENTS:

(note: business plans can range from 15 to over 100 pages in length)

Cover page:

Name, address, and phone number of business along with your name, address, and phone number.

Executive Summary:

This section is written last and serves as a summary of the business plan. It allows the reader to get a "flavor" for the business before reading the entire document. This section should be concise yet exciting to allow the reader to *want* to continue to read the rest of the plan.

Company Description:

What business are you in; **what** products or services will you offer; **when** and **how** will your business be started; **who** are your customers and **how** many are there; **where** is the location of the business; **why** is your business different from your competition; **what** is your experience in this business; **who** will be in charge; **what** are the hours of operation; **when** will you make a profit; and **when** will your business open; **who** are your current supporters?

MARKETING PLAN:

Customers:

Who is your market (age, race, sex, income, etc.); **how** large is this market; **how** large is your customer base (numbers and dollars); **how** are you going to reach and satisfy these customers; **what** are your prices going to be; **why** will consumers buy from you?

Competition:

Who is your nearest competition and **how** are they doing (new, stable, growing); **how** is your business similar and different from them; **what** are your strengths and weaknesses; **what** have you learned from your competition?

Location:

Where will you be located; **what** type of building and neighborhood will you be located in; **how** much space do you need; **what** does the space cost; **where** is the space in relation to landmarks, parking, and metro?

Sales:

How will you sell to consumers (direct mail, sales staff, franchise); **how** will you advertise to customers (business cards, fliers/posters, surveys, etc.); **where** will you advertise?

MANAGEMENT PLAN:**Personnel:**

Who will do what (be sure to include job descriptions, list relevant experience, and include resumes for each partner); **who** else is assisting in the business (lawyer, accountant, etc.); **what** is your business background; **what** are the ages and addresses of all partners; **who** reports to whom; **how** will each person be paid (weekly or monthly, hourly or salary) and **how much**; **what** employees will you need during the first 6 to 12 months of operations? Also, **what** is the name of your bank; **where** is your bank located; **what** type of accounts will you have?

OPERATIONS SUMMARY:

Briefly summarize the previous sections (type of business, customers, management, and amount of money needed to begin operations) and indicate how they relate to the next section: the *Financing Plan*.

FINANCING PLAN:

This is the most important and difficult section of the document. do not be afraid to seek assistance from an accountant or financial expert for completing the following forms:

Sources and Applications of Funds:

This form lists the sources from where you will receive funding (loans, personal savings, investment from family or friends) as well as lists the key areas where you will be spending your initial funds (purchasing a building, equipment, renovations, set-asides for salaries, reserve funds for emergencies, etc.)

Balance Sheet:

This form shows all your assets (things you own or have of value) versus your liabilities (things you owe). Examples of assets are: equipment, cash, inventory, furniture. Examples of liabilities are: loans, outstanding bills.

Income Statements:

Project your expected revenue less your expenses (your income). You would total your revenue (expected sales) and subtract your expenses, then and you would get net profit or loss. Examples of expenses are: salaries, advertising costs, rent, utilities, phone, taxes, insurance, etc.

Cash Flow Statements:

This form allows you to project your cashflow (expected sales) over the next 6 months to three years. The statement reflects all cash that came in (sales, investments) less all cash that went out (rent, utilities, loan payments, advertising, taxes, etc.)

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MARKETING: PERSONALLY AND PROFESSIONALLY

It is important to remember that when you start a new business, you and the business are one until operations have begun. Thus, when people consider investing in or buying from your business, the first thing they consider is who the owner is and what his or her reputation and experience is? Therefore, it is as important to make sure you look good, so as to make sure the business looks good.

PERSONAL MARKETING

Here are some tips for you to make sure you gain the respect of investors and customers:

- **Research, research, research.** You must make sure you know all there is to know about business in general, your particular business, its products and services, and your customers.
- **Present yourself well.** Please make sure that you are always on your best behavior, you look presentable, and you speak and act professional. You never know who might be a potential customer.
- **Keep a resume available and updated.** It is important to have a resume (a list of work and educational experience) because it shows your experience and lends to your credibility.

PROFESSIONAL MARKETING

In order to get business, the consumer must know **who and where you are, what business you are in, and how they can reach you.** This is why businesses spend money to advertise. Remember, in order to save money and spend wisely on your marketing, and make sure you reach your target customers. For the future, remember the **reach versus cost rule** in marketing: the more people you try and reach, the more it costs. Below is a list of potential ways to advertise:

- **Business Cards** are inexpensive (1,000 for \$10), and can be given directly to customers --they contain all pertinent information for the customer.
- **Fliers** can be colorful, inexpensive (\$.06 per copy), distributed directly to consumers or placed in busy areas--they can be seen by lots of people. This is the same for posters. Note, they can be taken down or thrown away just as easily.
- **Direct Mail** is when you mail letters to specific customers. This is effective and relatively inexpensive (postage and paper). Direct mail shows respect and concern for the customer and almost guarantees that they will read it.

- **T-shirts** can be quite effective and inexpensive (\$5 to \$10 per shirt). They can be utilized as portable billboards and seen by a lot of people. They can also be used as giveaways to customers who will also wear them and advertise your business. You can use stickers or buttons as giveaways as well.
- **Networking** by attending conferences and telling friends and relatives is quite effective because you can reach a lot of people at one time. However, depending on the conference it can be quite expensive (\$150 to \$500).
- **Newspapers** are read by a lot of people. However, remember the paper is always full of advertisements and your ad can get lost in the mix with the other ads. Note: the newspaper can be expensive depending on the paper, number of lines, day of the week, etc.
- **Radio** is effective and heard by a lot of people. However, the radio also can be expensive due to the production or making of the commercial and air time, depending on station, time of day for commercial, etc.
- **Television** is seen by millions of people. However, it is very expensive for the same reasons as the radio: the making of the commercial, air time, etc.

Start small and grow big! Your goal is to reach *your* potential customers, target market, so in the beginning only spend money to make sure you reach these people first.

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FINANCING: WHERE AND HOW TO GET MONEY

In order to start a business you need money. However, where you go to get the money will depend on the amount you need. The following is a sample of places for young entrepreneurs to seek funding:

■ **Obtain a part-time job.**

This is a great way to make money because you do not have to pay it back and you can gain valuable work experience at the same time.

■ **Host a Fundraiser.**

In order to raise money you can have a garage sale at your home, a car wash at a local gas station or church lot, or a bake sale at your school. However, make sure you have permission to do these events. They cost very little, are one-day events, and you can make hundreds of dollars in return.

■ **Ask your Parents, Family, or Friends.**

You may ask for small loans (\$5 to \$50) that will be paid back at an agreed upon time, or ask them to invest in your business for a certain percentage of the profits. You may also request an advance on your allowance, if you get one.

■ **Form a partnership.**

"Two heads are better than one," and so are two bank accounts. The more people you have the more money you may receive. However, don't forget the more people you have, the more ways you have to split the profits.

■ **Get an advance or credit.**

You may want to seek pre-paid orders from your customers first by asking them for a deposit payment. This gives you some money to start with. You may also talk to the supplier of your product or service and see if they will give you credit, and let you pay them after you have been paid by the customer.

■ **Request a Loan.**

You may seek a loan from family, friends, relatives, or the bank. Remember, **loans must be repaid with interest** (a percentage of money paid for the privilege of borrowing the money, that makes the amount you pay back higher than the original loan). Note: banks will require that you have credit and a financial history. As a youth, you will need your parents' assistance. However, there are also organizations with microloan funds, such as TEDI, that will allow you access to funds, but with less standard requirements. Using this method you get smaller loan amount -- \$100 to \$1,000-- but these loans can be repaid with lower interest rates.

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RESUME WORKSHOP: PREPARATION & CRITIQUE

A **Resume** is a list of all your educational and work experience. The purpose of a resume is to demonstrate your skills to potential employers or investors. There are many different formats and styles for resumes. However, there are some key things to remember:

- Be as specific as possible when writing about your work experience.
- Make sure that all information listed is true and spelled correctly.
- Be sure to include extra classes and volunteer work on your resume.
- Compile a list of personal references with your resume for credibility purposes.
- Try to keep your resume to one page only.

Here is a sample resume format:

NAME
Address
Phone Number

EDUCATION

List all schools you have attended with years attended and location: you may include your grade point average.

SCHOOL NAME

Degree type

Grade Point Average

City, State

Dates Attended

WORK EXPERIENCE

List all jobs that you have held or currently hold. It is preferred to list your jobs in reverse chronological order: the most recent job first, etc.

COMPANY NAME

Job Title

Job Description/Duties

City, State

Dates worked

COMPANY NAME

Job Title

Job Description/Duties

City, State

Dates worked

ACTIVITIES/AWARDS

List all sports or extracurricular activities you are involved in or have been a part of over the past year. Also include any awards you may have received.

- OVER -