

Self-Employment Assistance in Perspective

Stephen A. Wandner

U.S. Department of Labor

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History of SEA

- **1970s and 1980s: Industrial nations develop SEA programs (17 EU countries)**
- **1990: Massachusetts Experiment begins**
- **1992 & 1995: Evaluation reports**
- **1993 & 1998: SEA enacted, first temporarily, then permanently**
- **2006: Nobel Prize to M. Yunus/Grameen Bk**
- **2009: Seven states operate SEA programs.**

Why Was SEA Enacted?

- **Massachusetts experiment had strong positive impacts on participants and net benefits to the government sector**
- **Combining workforce and economic development**
- **Bi-partisan support**
- **Activist Clinton Administration**

The SEA Program

- **SEA program was patterned after the British Enterprise Allowance Scheme and the Massachusetts SEA experiment that followed the British design**
- **SEA programs are targeted to UI recipients who are found to be likely to exhaust their benefits, using a “worker profiling “ model.**
- **SEA provides self-employment allowances in lieu of UI benefits, and entrepreneurial counseling and training.**

SEA Today

- **Only seven (7) states have active programs: DE MD ME NJ NY OR PA**
- **Small: Less than 2,000 participants/year**
- **UI separated from employment services, operates outside of One-Stop Career Centers (OSCCs)**
- **Training funds: No dedicated funding; difficult to obtain. Not WIA, ES, UI or SBA**
- **Small Business Development Centers have expertise, but are not active in SEA**

Success in New York (1997)

- **Bipartisan support: Gov. Cuomo & Pataki**
- **SEA worked with SUNY and NY Commerce**
- **Regional SBDC financial support for training**
- **NY SEA was operated by the OSCCs**
- **In 1997, participation peaked at 2,839**

The Potential of SEA

- **In 2007, 637,100 new business formed in the US**
- **In NY (1997) 2,837 SEA participants**
- **Since NY has about 7 percent of US covered employment, if all states had SEA program participation at NY 1997 rates in 2007, participation would have been about 45,000, about 7 percent of new business starts**

Selected References

- **Jacob Benus et al. 1995. *Self-Employment Programs: A New Reemployment Strategy*. UI Occasional Paper 95-5.**
- **Small Business Administration. 2008. *The Small Business Economy: A Report to the President*.**
- **Stephen Wandner. 2008. “Employment Programs for Recipients of Unemployment Insurance.” *Monthly Labor Review* (October).**