

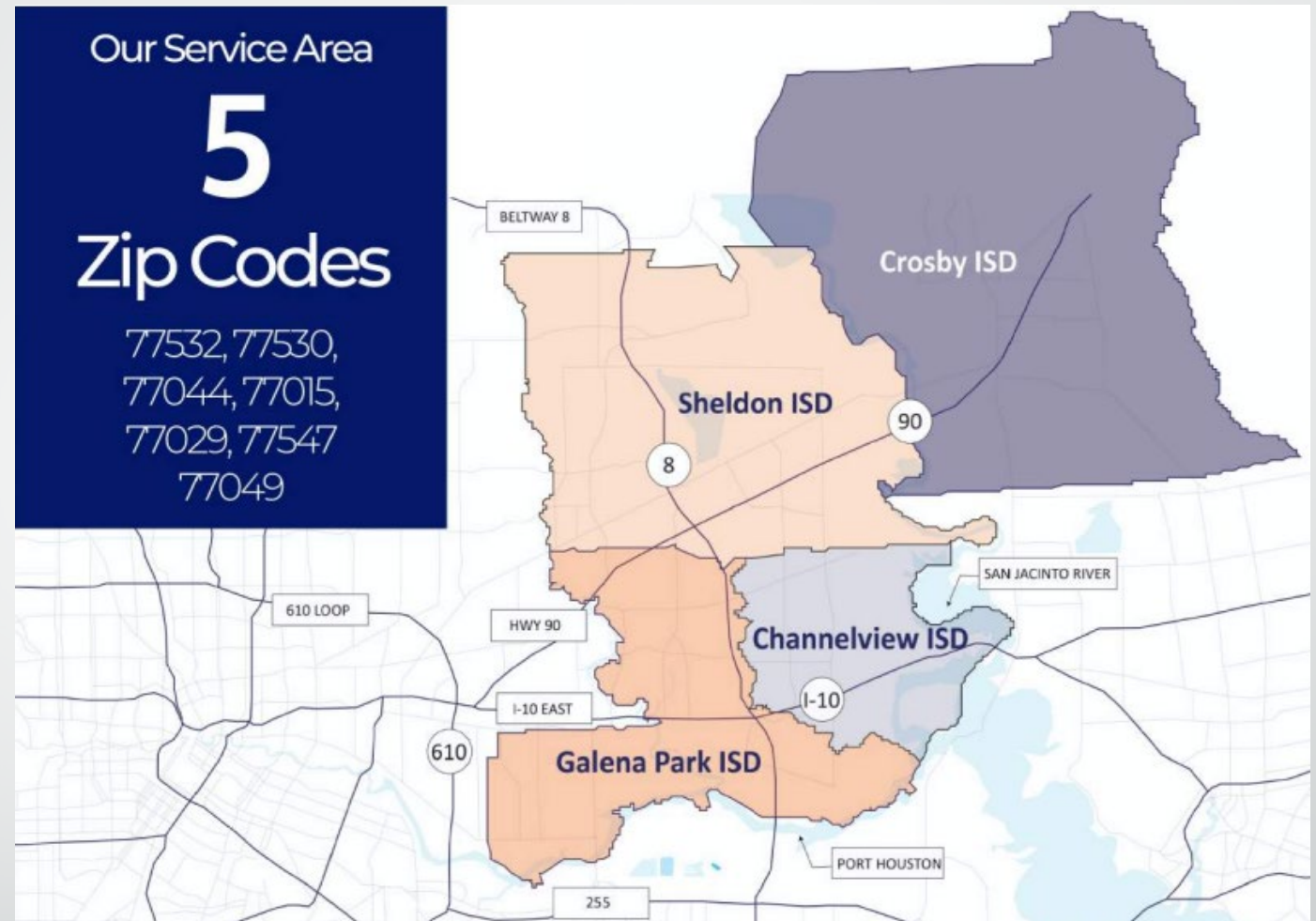
Small Business Training Program: An Economic Ladder for East Harris County

Organization: East Harris County Empowerment Council

By Chao Deng, Tahsin Fairouz, Wajih Rehman

Introduction

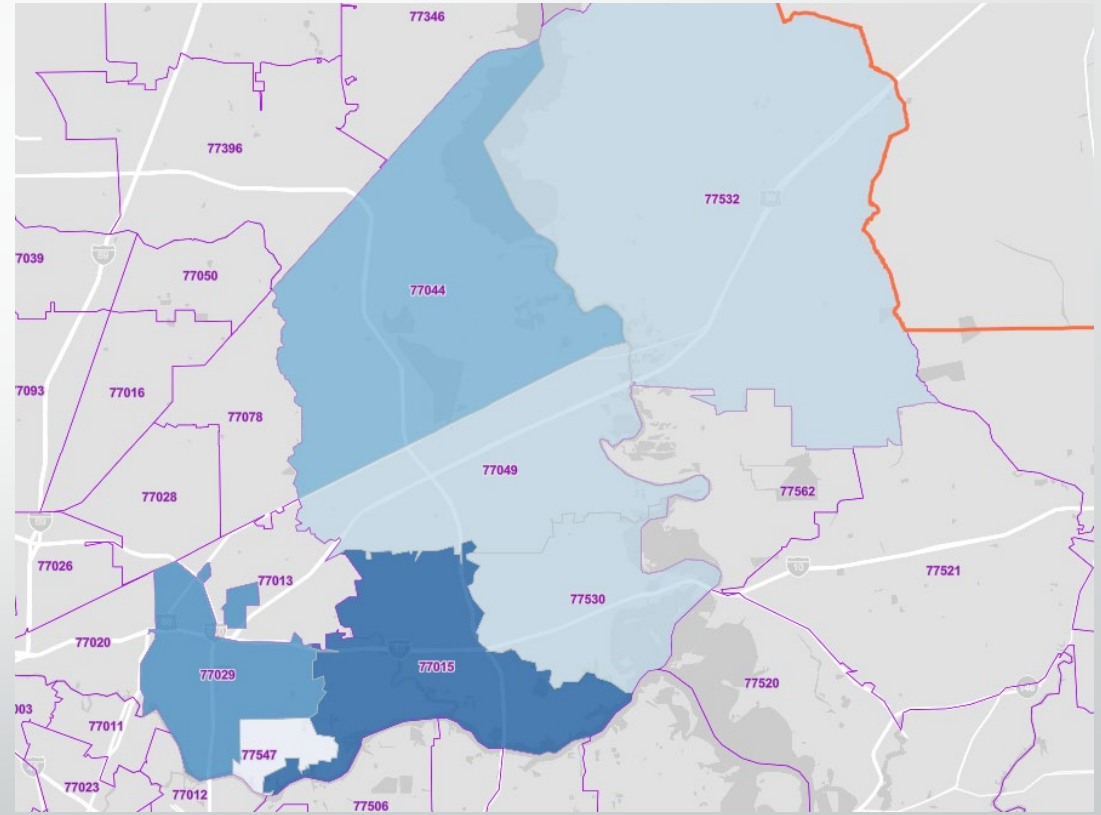
- EHC has fewer business establishments
 - 1 for every 74 people compared to 41 in Houston
- Training program for
 1. Small business owners
 2. Non-profit sector
 3. Potential future business starters



Sourced from East Harris County Empowerment Council, 2022.

Target Population

Zip Code	Self-Employed to Establishment Ratio	Workers to Establishments ratio
77015	2.5	30
77029	1.2	10
77044	5.28	50
77049	3.5	45
77530	2.7	32
77532	2.2	35
77547	2	40
Average	2.8	32



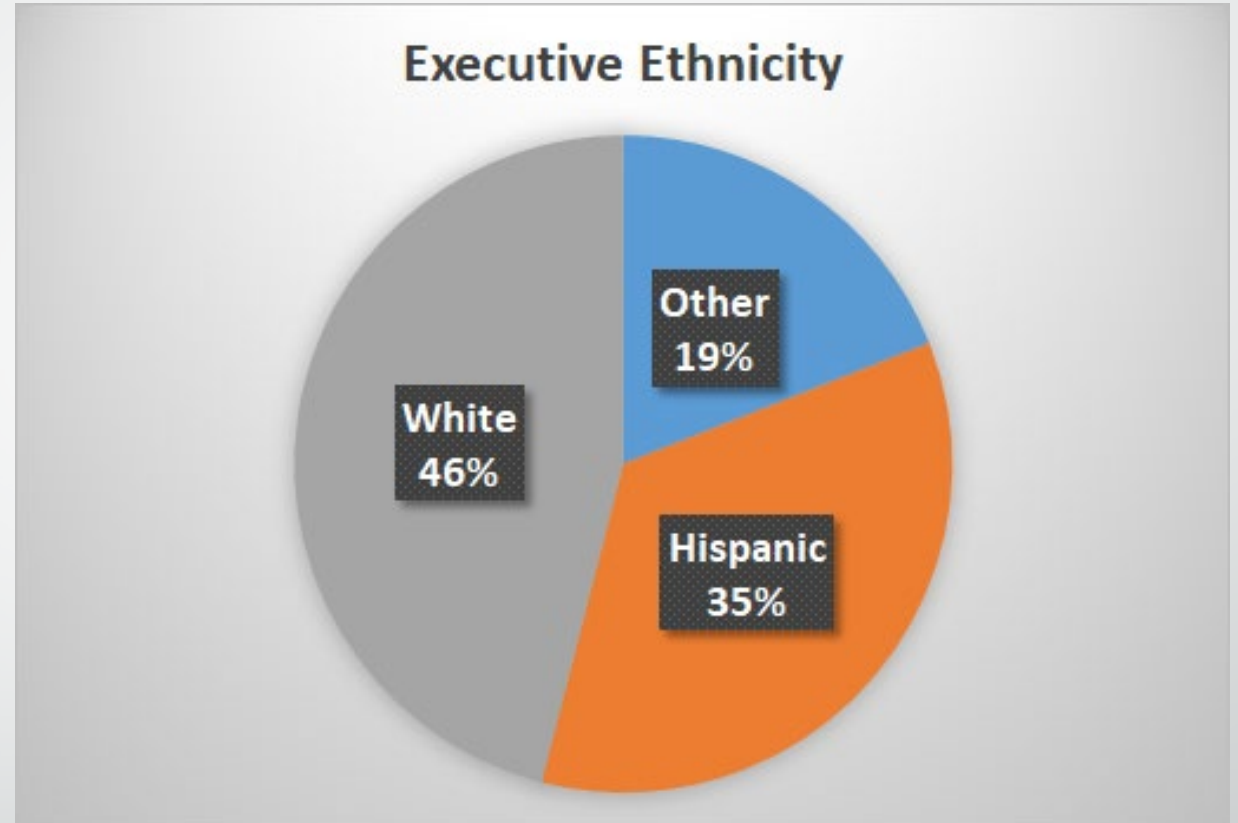
Data from County Business Patterns, US census

Target Population

According to Data Axle Reference Solution:

- 35% Hispanic Executives
- Sales volumes of Whites executives is 4 times that of Hispanic executives

52 % of the population speak Spanish (US Census)



Data from US Business, Data Axle Reference Solution

Houston Potential Competitors

SCORE Foundation and TX Gulf Coast's SBDC:

- Offer 1 to 2 workshop sessions for a subject
- Most are online, many are free, some cost 10 to 40 dollars
- Fields include marketing, taxes, business planning, legal affairs, hiring, finance, bookkeeping, etc.
- Targeted to a more white-collar audience
- Very few sessions in Spanish

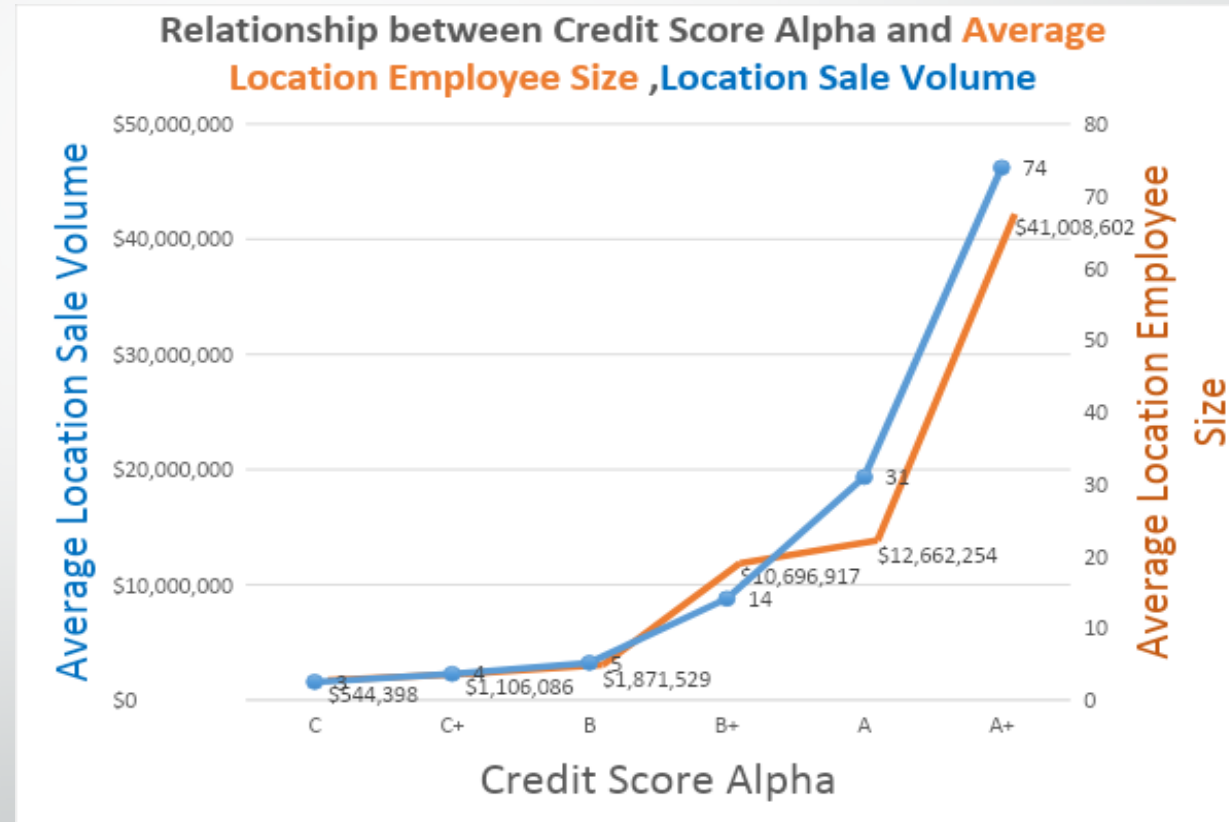
United Way's Project Blueprint:

- 10-week program, cost is \$675
- Helps professionals enter nonprofit sector
- Application needed, not open to all

Recommendations on Workshops

The Types of workshops recommended

- Spanish
 1. 52% of the population Speak Spanish,
 2. 35% Hispanic business executives
- Finance Related Workshops
 1. Size of a business is highly correlated with business credit
- Change according to needs



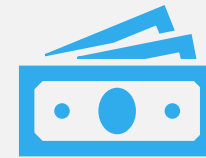
Potential Funding of the Project



Google



WELLS
FARGO



SBA

SPONSORSHIP

REGISTRATION FEE



DELL

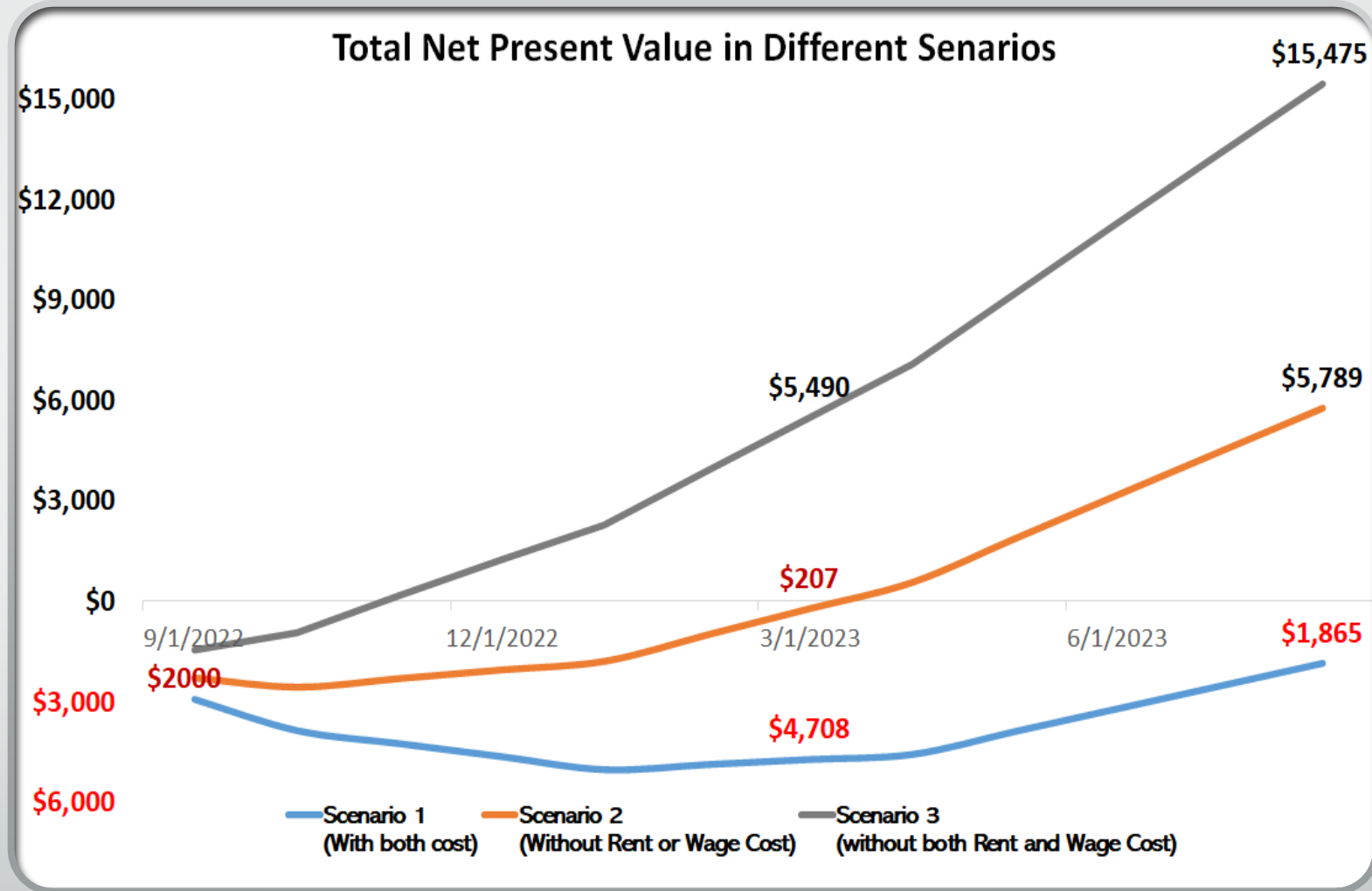
Financial Analysis of One Workshop

- 3 hours in-person workshop
- Average price of attendance: \$25
- Variable cost structure-\$343:
 1. Rent:\$50/hourly
 2. Wage:\$50/hourly
 3. Advertisement cost: \$43

Number of Students	Retained Revenue (With both Cost)	Retained Revenue (without wage or rent)	Retained Revenue (Without Both Cost)
0	\$343	\$193	\$0
8	\$143	\$7	\$200
14	\$7	\$157	\$350
20	\$157	\$307	\$500

Flow of Funds Over 12 Months

- Start with 4 students
- Grow to 20
- Length of the program is 12 months
- \$2000 startup costs
- 3% annual discount factor
- IRR in Scenario 2 is 16%



Social Evaluation

- Current business establishment median revenue: \$500,000 (Axle 2022)
- According to World Bank Economist McKenzie:
 1. 4.7% sales growth in 1 to 2 years from training

Timeline	Total number of students	Sales Effect on Businesses in today's value (thousands of dollars)	Social NPV (Thousands of dollars)	Total cost of the training program
9/1/2022	5	\$118	\$114	\$3,472
11/1/2022	24	\$561	\$555	\$6,415
1/1/2023	64	\$1,489	\$1,480	\$9,358
2/1/2023	84	\$1,950	\$1,939	\$10,829
4/1/2023	124	\$2,864	\$2,850	\$13,772
6/1/2023	164	\$3,768	\$3,752	\$16,715
8/1/2023	204	\$4,664	\$4,644	\$19,658



Summary

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