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## Income Generation Through Entrepreneurship: SEED Initiative

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# **Income Generation Through Entrepreneurship: SEED Initiative**

Presented by Iliana G Perez, Ph.D.  
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Immigrants Rising



# Undocumented Entrepreneurs

# Undocumented Entrepreneurs

**823,750** undocumented entrepreneurs in the U.S. in 2019 (**8% of total population**)



**182,142** undocumented entrepreneurs in CA in 2019



Source: [American Immigration Council](#)

# Major Challenges for Undocumented Entrepreneurs

- Barriers to employment (no work authorization)
- Limited access to capital
- Limited access to entrepreneurship training
- Limited access to technical assistance to help start or grow businesses
- Invisible

# About SEED

# SEED Funding

- \$10M budget allocation in the 2021 CA Governor's Budget
  - Entrepreneurship (\$8M)
  - Worker Cooperatives (\$1M)
- Immigrants Rising received \$5.4M and giving away \$4.1M in grants (~650 grantees)



**\$5K & \$10K GRANTS  
ARE AVAILABLE FOR  
IMMIGRANT  
ENTREPRENEURS  
IN CALIFORNIA!**

Those who are undocumented or have  
DACA/TPS/DED are highly encouraged to apply.

# SEED Initiative

1. Community outreach
2. Entrepreneurial training (Spark)
3. SEED grant selection
4. Disbursement of SEED grants to entrepreneurs (\$4.06M)
  - a. “Developing business” grants: \$5,000
  - b. “Mature business” grant: \$10,000
5. Technical assistance to SEED micro-grant awardees through partners

Note: All programming is available in **English, Spanish, Tagalog and Korean**



# SEED Eligibility

SEED funding is open to **California residents** who are starting or **growing a business/nonprofit in California** that addresses a social problem or community need.

Applicants must identify with at least one of the following:

1. Undocumented, DACAmented, TPS, pending Visa applications (non-US Citizens or LPRs)
2. Limited English proficiency, regardless of immigration or citizenship status

# Spark Entrepreneurship Training

# Spark Overview

- Curriculum developed over the past 10 years
- Languages: English, Spanish, Tagalog and Korean
- Inspirational stories of immigrant entrepreneurs
- Funding (currently only SEED)
- Support (Spark Academies, application clinics & 1-on-1 support)

=>Worked with consulting firm and several tech partners to build and upkeep site

# Entrepreneurship Curriculum

## 5 Modules

- Intro to entrepreneurship
- Marketing and promotion
- Biz structure and permits
- Finance and capital
- Taxes and next steps

**Worksheets = Business Plan**

## INTRODUCTION TO ENTREPRENEURSHIP

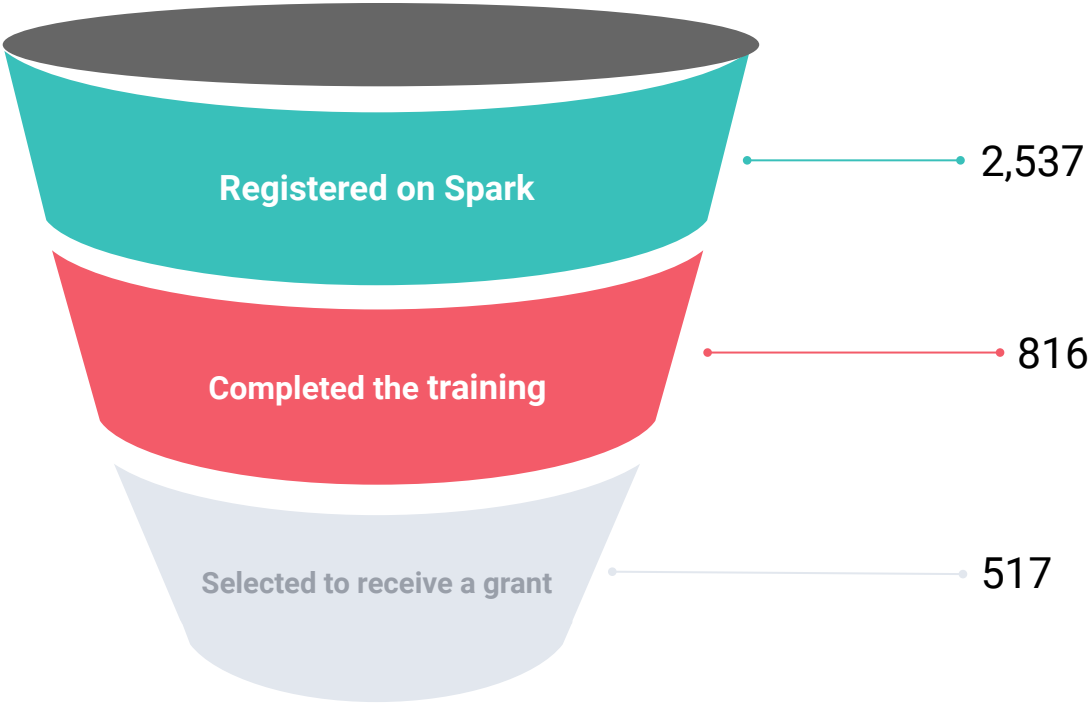
Learn how to turn your dream into a business, with this step-by-step guide.



[VIEW TOPIC](#)

# SEED Grants Overview

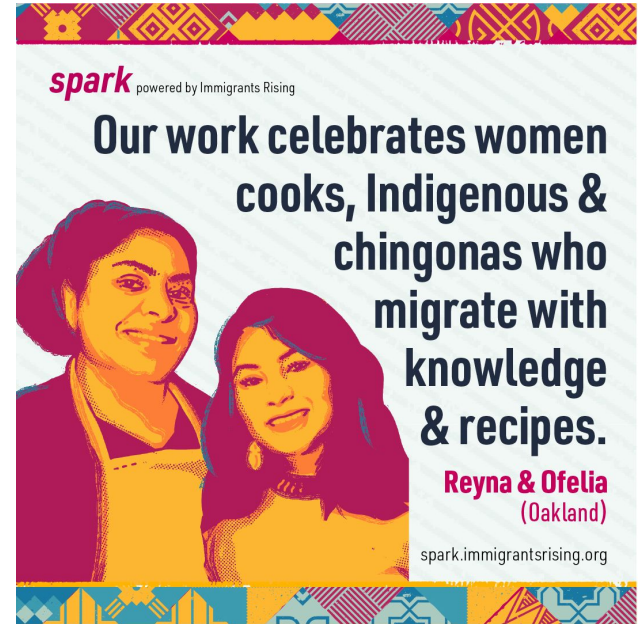
# SEED Funnel



August 24, 2021-March 1, 2022

# Grants Awarded

474 “Developing Biz” grants	\$2,355,000
43 “Mature Biz” grants	\$430,000
<b>517 Total Grants</b>	<b>\$2,785,000</b>



August 24, 2021-March 1, 2022

# SEED Grantees Overview



# Personal Demographics

- 86% experience barriers to employment as a result of their immigration status
- 75.4% Latinx; 19.7% Asian; 2.9% Black
- 52.8% English; 44.9% Spanish; 1.3% Korean; 1% Tagalog
- 60.1% Female; 37.9% Male; .8% Genderqueer/gender non-conforming; .8% Prefer not to state
- 63.2% 35-64 years old; 34.6% 18-34 years old; 1.9% 65 year old or older
- 48.3% income <\$17,000; 42% income \$17,000-\$50,000; 9.7% income >\$50,000
- 53.6% some college or more, 28.6% Less than HS; 17.8% HS education

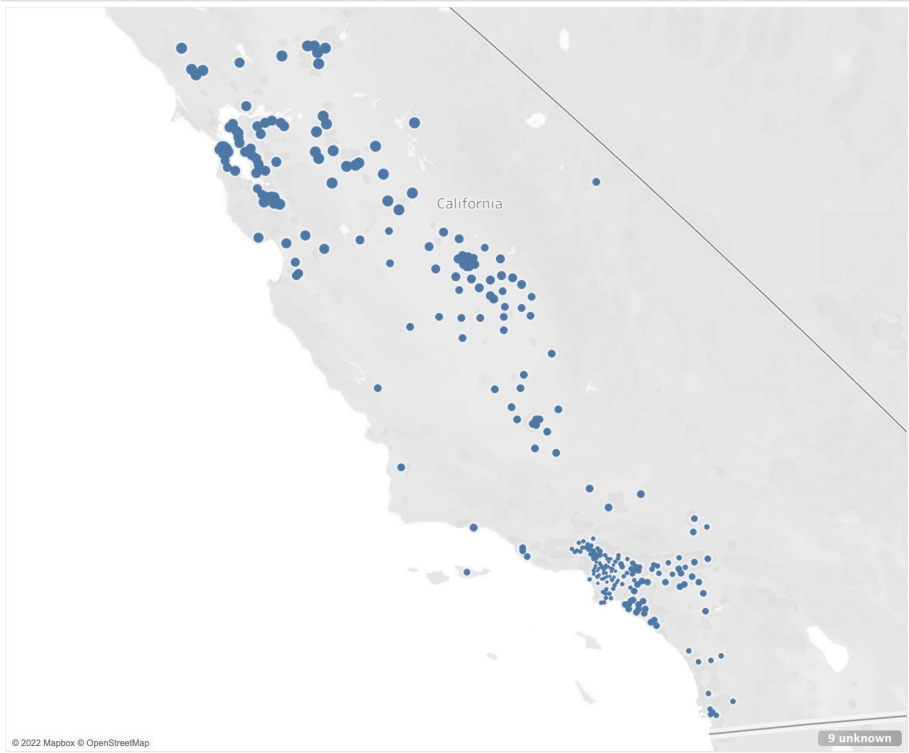
N=517 grantees

# Business Characteristics

- 54.4% New businesses
- 32.4% Incorporated
  - 50.6% Sole proprietor
  - 28.6% LLC
  - 7.7% S Corp
  - 5.3% C Corp
- Top 3 Industries: Other (23.5%), Retail Trade (22.8%), Accommodation and Food Services (12.3%)
- 27.5% Employer businesses (331 total employees)
- 40% Generating income; Mean is \$65,146, Median is \$16,600

N=517 grantees

# Geographic Location



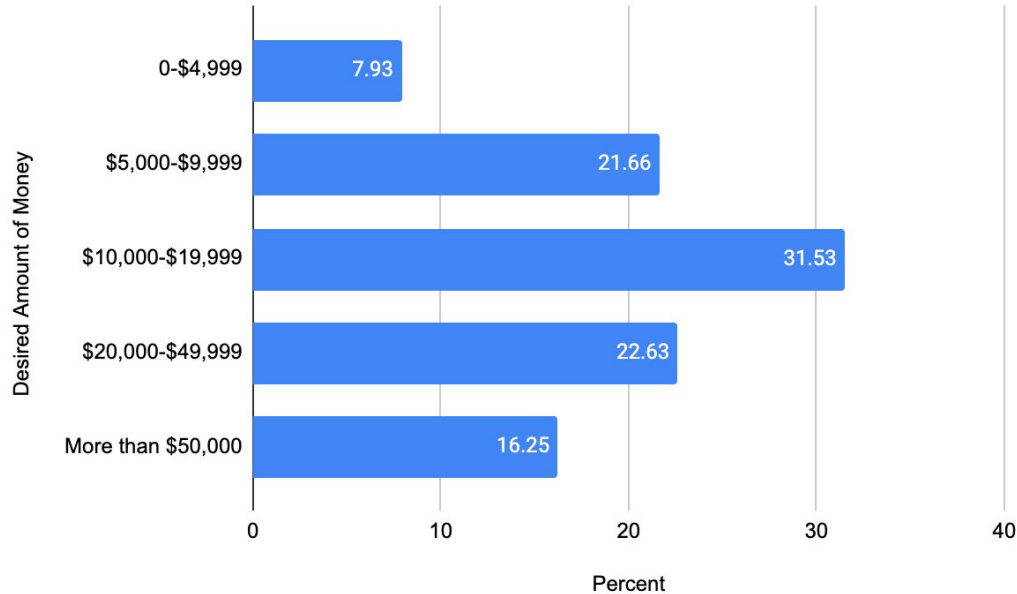
# Past Funding

61.5% (318) have raised money before

Type of Funding	%	Past Funding (Average)
Savings	75.16%	\$13,868
Friends and Family	33.33%	\$9,774
Community Grants	15.09%	\$12,468
National Bank	9.75%	\$7,660
Local Bank	7.86%	\$8,100
CDFI	3.46%	\$5,300
Crowdfunding	2.20%	\$8,300

N=318 grantees

# Future Funding



Future Type of Funding	%
Savings	63.83%
Community Grants	61.32%
Friends and Family	27.66%
CDFI	16.44%
Local Bank	16.25%
National Bank	11.99%
Crowdfunding	9.86%

N=517 grantees

# No Funding Experience

38.4% (199) have no funding experience

Reasons Why	%
I don't know available options	61.31%
I don't know where to start	57.29%
I don't want to accrue debt	35.18%
I don't know how much money I need	27.64%
I have low credit	18.09%
I do not have credit	17.09%
I was denied funding	8.54%
I don't have an ITIN	8.04%

# SEED Follow-Up

# SEED Program Preliminary Findings

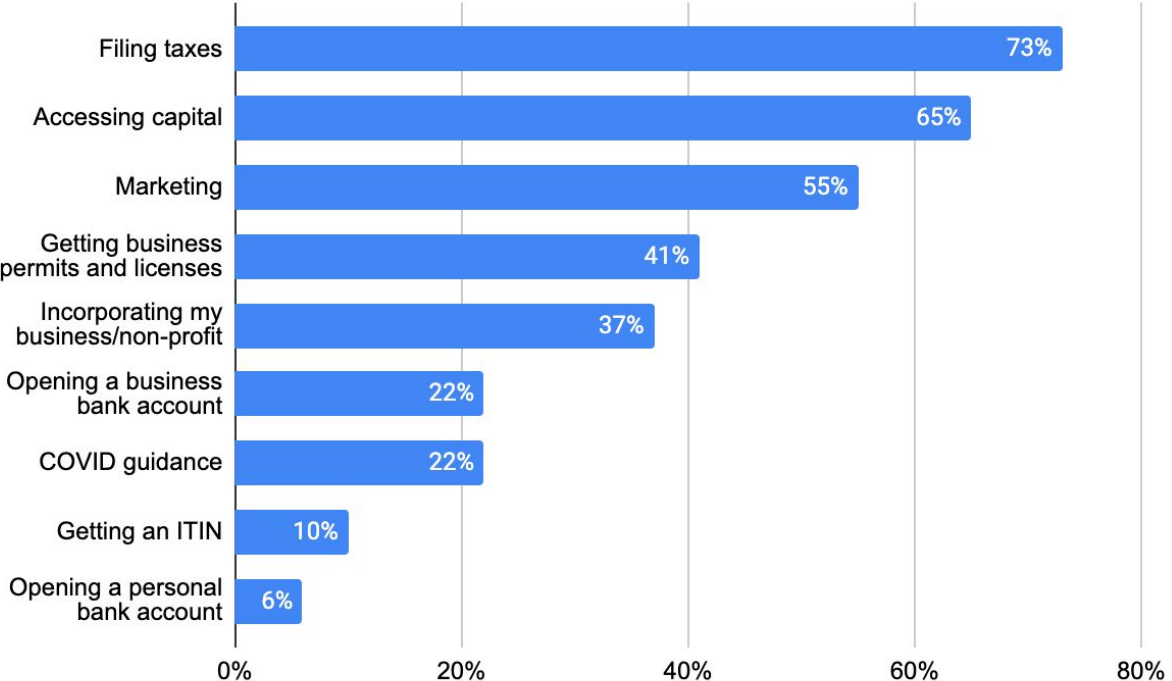
	N	%
<b>Knowledge</b>	<b>49</b>	<b>100%</b>
I have a better understanding of entrepreneurship concepts	39	80%
I know how to write a business plan	42	86%
I know how to write a business budget	39	80%
I know how to apply for funding	35	71%
<b>Confidence</b>	<b>49</b>	<b>100%</b>
I feel more confident in my ability to start or grow my business	41	84%
I feel more confident talking about my business/non-profit	43	88%
I feel more confident coming up with a budget for my business/non-profit	40	82%
I feel more confident requesting funding	42	86%

N=49 grantees

%="Agree" of "Strongly Agree"



# Areas of Support



N=49 grantees



# Future Data

- State of business
  - Business revenue (1 year after)
  - # of employees (1 year after)
- How funds were spent (3 months after)
- Challenges spending money (3 months after)
- Challenges to start/scale (3 months after, 6 months after and 1 year after)
- Reasons for starting a business (3 months after)
- Capital acquired/needed (3 months after, 6 months after and 1 year after)

# Summary

# SEED Preliminary Findings

- There is a need to provide accessible entrepreneurship training that takes into consideration language, digital literacy, availability of technology (57% of users on mobile) and Internet, and diversified representation
- Undocumented entrepreneurs primarily rely on personal savings to start or grow their businesses, even though they are low income
- Capital (in the form of grants) is needed to help undocumented entrepreneurs start or grow their business
  - 61% of grantees need less than \$20,000 to start or grow their business
  - Not utilizing local or national banks for funding
- Technical assistance is needed to help entrepreneurs start or grow their businesses (taxes, access to capital, incorporation, business development, taxes)
  - Need to develop more partnerships with service providers

# SEED Successes

- \$ is going out to the community
- Diverse group of applicants/grantees
- Stories of entrepreneurs
- In-language support
- Better entrepreneurship training
- Better technology platform
- More knowledge about grant disbursement
- Partnerships
- Reframing entrepreneurship

A graphic featuring a colorful geometric pattern at the top and bottom. The central area has a light blue background with a subtle grid. On the right is a stylized illustration of a smiling man with a beard and a necklace. The text is positioned to the left of the illustration.

**spark** powered by Immigrants Rising

**Success is more than money. It means you accomplished something you set out to do.**

**Luis** (San Francisco)

[spark.immigrantsrising.org](http://spark.immigrantsrising.org)

# SEED Challenges

- Digital divide
  - Mobile users (56%)
  - No reliable internet
  - Uploads are challenging
  - Communication (limited use of email)
  - New to online learning
- Language accessibility
- Staffing capacity (specifically tech)
- Administrative funding (75% toward grants/25% toward admin)
- Evidence for use of funds
- Limited program timeframe



# Future Areas of Research

- Determinants of higher business income
- Differences by immigration status, gender, age, educational attainment, etc.
- Economic viability of entrepreneurship for undocumented immigrants
- Deeper dive on mature business owners
- Change over time (business growth)
- Use and impact of funds
- Needs of undocumented entrepreneurs to start or grow businesses

# Questions/ Comments



Contact: Iliana at [iliana@immigrantsrising.org](mailto:iliana@immigrantsrising.org)