



Women's Empowerment International

Home About Us Affiliates Women's Stories Join WE Donate to WE Contact Us

JULY 2006 • VOLUME 2

FROM THE PRESIDENT, WINIFRED COX

WE's STAR Center to help alleviate poverty's toll on San Diego refugees

It's easy to think of poverty as something that happens far, far away. But the truth is it's prevalent in our own communities. In the second issue of Women's Empowerment International's newsletter, we deliver some startling statistics:

- One in 8 Americans lives in poverty.
- More than 440,000 jobs provided by large employers were lost in California between 1999 and 2003.
- In San Diego, 35 percent of single mothers with children under age five are impoverished.

We also present you with our answer: the Women's Empowerment STAR Center (Support, Training and Assistance to Refugee Women). The Star Center has now begun providing business training and support to the community of San Diego refugee women.

Between 1994 and 2005, 11,000 refugees from 60 countries resettled in California; one-tenth of those came to San Diego. Cut off from their own cultures, facing language barriers and often psychological trauma, refugees face difficult barriers to financial independence.

We know that small loans and intensive business training are remarkable tools for helping refugees gain confidence and overcome the hurdles of entrepreneurship. The International Rescue Committee in San Diego started the first microfinance program in their international organization. In only six years, the IRC has helped refugees start more than 85 new businesses and expand another 60 in San Diego.

The WE STAR Center, in partnership with IRC and under the guidance of director Mouna Isaac, will continue this work with a focus exclusively on women refugees. This one-stop business incubator, in culturally diverse City Heights, will provide business loans, training, consultation and small grants, with the goal of launching 10 to 15 women-owned San Diego businesses in the first year. With such hands-on guidance, women refugees will be able to more rapidly adjust to life in San Diego, increase their families' incomes, and reduce dependence on public assistance.

We hope you will join us to celebrate the opening of the STAR Center on the afternoon of October 29. And perhaps you will also consider making a donation that will help us operate the center and provide scholarships to the women for business start-up expenses. Your help, as always, is sincerely appreciated.

New director opens WE STAR Center

Mouna Isaac, the new director of the WE Star Center, has all the tools needed to help refugee women start their own businesses. Her roots are deep in the refugee community and in the world of entrepreneurship.

A native of Ethiopia, she came by herself to San Jose, California to live with her brother when she was only 16. Three years ago, armed with a degree in accounting, she started her own business in San Diego – a travel agency and bookkeeping company. She speaks Somali and Ethiopian, in addition to English.

"I know how hard it is to start a business," Mouna says. "You're by yourself all day long. It's very hard work. I was interested in this job because I would be helping refugee women move from welfare to owning their own businesses."



Mouna Isaac

In her first weeks as director, Mouna has met with many potential clients to gauge their interest in training, loans, and grants. One woman wants to open a hair salon and others are interested in preparing food, especially their native dishes. Mouna will work closely with the Somali Bantu Women's Cooperative, helping these 16 women market their jewelry and embroidery, perhaps first to African American churches. She will also guide women in the preparations necessary for starting home-based child-care businesses.

It's an exciting opportunity and Mouna knows first hand how valuable such assistance can be. "If I had known about this program when I was starting my business, I would have been the first customer," she laughs.

(Photo by Rebecca Drexler)

■ Please mark your calendars for the celebration of the new **WE STAR Center**, October 29, 2006 at the International Rescue Committee in San Diego. The afternoon event will feature refugee women and their businesses that are helping them become financially independent.

WE NEWS UPDATES

■ We are honored to welcome our new board of directors: **Linda Corey**, **Winifred Cox** (President), **Mary Curran-Downey**, **Leigh Fenly** (Vice President), **Jean Fort** (Treasurer), **Margie Pryatel** (Secretary), **Sherry Risch**, **Carol Stein**, and **Amy Stirnkorb**. Each brings experience, talent, and a passion for the women we serve, as you will see from their Profiles at Womens Empowerment

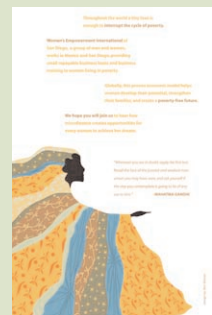
■ Women in Sonora, Mexico who receive loans from Grameen de la Frontera have graciously welcomed WE members into their homes and group meetings. To return the favor and to form stronger bonds, WE volunteers - **Mary Mittell**, **Rebecca Drexler**, **Ghina Perez** and **Liz Stein** - created a Profile Book for the Sonoran women featuring members' photos and messages. The book will be personally delivered during an upcoming trip to Sonora.

■ To date, WE has raised and pledged close to \$41,000 in business loans for the women of Sonora, Mexico, and \$6,000 in support of local refugee women. Our goal is to raise an additional \$28,000 by the end of 2006, in support of both deserving programs.

■ At the invitation of WE member **Linda Weber**, **Linda Corey** and **Sherry Risch** took the WE message to Westminster Presbyterian Church April 30 to inaugurate the series "Women Working Their Way out of Poverty." Many participants became new WE members and made generous contributions toward loans for the women of Sonora and the WE STAR Center.

■ Thanks to shepherding by WE member **Holly Ward**, WE has been selected as one of four finalists in a program at **Mission Hills United Church of Christ**. The church chooses one worthy project to support each year. If selected, WE will receive valuable assistance toward our goal of raising \$25,000 this year for the WE STAR Center.

OUR NEW INVITATION



Our talented new volunteer **Ann Weiner** created this lovely invitation for WE introductory groups.

We hope its beauty will inspire you to invite a small group of friends into your home to learn about WE's work. WE volunteers are available to lead these "conversations of hope." Please contact us to set a date: womens.empowerment@cox.net or by phone (858) 486-6466.

Business Loans for the World's Neediest Women

P.O. Box 501406 • San Diego, Ca 92150-1406 • (858) 486-6466

womens.empowerment@cox.net • www.womenempowerment.org



A Closer Look: The Squeeze on Poor Workers

One in eight Americans – 12.7 percent lives in poverty. More than one-third are children. In 2004, the last year of the U.S. Census, the incomes of 37 million people fell below the poverty level. An additional 54 million were the “near poor,” living between the poverty line, earning annual incomes of roughly \$19,000, and double the poverty line for a single person.

■ The situation is not improving.

- Despite recent economic growth, the poverty rate has risen nationally for the last four years.
- From 1980 to 2003, the percentage of households with middle class incomes dropped 7 percent.
- More than 1.1 million additional people entered poverty in 2004 and 7 million since 2000.

In California, the poverty rate is even higher: 13.3 percent. Among Blacks and Hispanics, 20 percent live in poverty. But those most vulnerable are single female heads of households – often mothers raising young children. In this group, more than a third are impoverished.

At the same time, the rich got richer. The share of income controlled by the top 5 percent of households rose more than 150 percent from 1980 to 2003.

The reasons for mounting poverty are numerous. Skyrocketing health care costs, disappearing jobs, lack of education and job training, and the high cost of living in poverty are all contributing factors.

■ Disappearing jobs

The 21st-century economy creates lots of high-paying jobs that require degrees and many low-wage jobs requiring little education. Fewer jobs exist in the middle for high school

FURTHER RESOURCES

- FIELD-Microenterprise Fund for Innovation, Effectiveness, Learning, and Dissemination www.fieldus.org
- Association for Enterprise Opportunity www.microenterpriseworks.org
- California Association for Microenterprise Opportunity, www.microbiz.org
- Detroit Entrepreneurship Institute, www.deibus.org
- “Opening Opportunities, Building Ownership: Fulfilling the Promise of Microenterprise in the United States” by Elaine Edgcomb and Joyce Klein Fieldus Publication

■ Promise of Small Business

In the 1980s, the microenterprise industry which supports small business began to address poverty in the United States. Currently more than 400 organizations focus on small business development as a way to help low-income individuals become owners of barber shops, bakeries, childcare businesses, restaurants, and more. Microenterprise is generally defined as a small business that employs five or fewer

Did You Know? 45.8 million Americans don't have health care.

graduates. Most new jobs are coming from the service sector; these generally pay less than \$20,000 a year and usually do not include health insurance. Manufacturing jobs pay three times more, but since 2001, the U.S. has lost 2.7 million of these higher-paying jobs. (Consider that in 1960, Detroit had 16 auto manufacturing plants; today it has three.)

■ Costs of college

Escalating tuition costs prevent many poor students from getting into college and graduating. The percentage of low-income students graduating from 4-year colleges has been stagnant for 30 years. In 2003, only 8.6 percent of the nation's poorest young adults earned bachelor's degrees by age 24, up only 7 percent since 1975, despite more students enrolling.

Yet never has a college education been more important. Individuals with only high school diplomas are twice as likely to be unemployed as those with bachelor's degrees.

■ Paying for being poor

Reducing poverty not only requires boosting incomes but also addressing the high cost of being poor. High prices affect every basic necessity a low-income family depends on and make it more difficult for them to pay their bills.

The poor are more likely to pay substantially more for mortgages, car, and home insurance. They are less likely to have health insurance and to pay more for prescription drugs and hospital visits

Many of the poor patronize expensive services that locate in low-income neighborhoods - convenience stores that charge 25 percent more than grocery stores; pay day and tax-refund lenders that can charge annual interest rates of over 400 percent.

Moving out of poor neighborhoods depends on getting a job – or creating a job.

employees and is started with less than \$35,000.

In California, small businesses play a vital role in the state's economic growth. Between 1999 and 2003, large employers (with more than 50 employees) lost over 440,000 jobs, but microentrepreneurs created more than 300,000. That accounts for 77 percent of all new employment growth in the state, according to the California Association for Microenterprise Opportunity, an association of microenterprise development organizations in the state.

In California, small business development services are usually free or very low cost for those with low and moderate incomes. Services include technical assistance, business and skill training, financial literacy training, business mentoring, and computer training. Some programs provide “incubator” space, where prospective entrepreneurs begin their businesses within established print shops, dry cleaners, or commercial kitchens.

Development organizations also provide small loans, grants, and banking services. Successful loan repayment and participation in a microenterprise program can repair poor credit histories and allow successful entrepreneurs to “graduate” to standard financial institutions.

Studies show that individuals who participate in these programs have higher incomes and are less likely to live in poverty. Over five years, almost half of businesses created with microenterprise support survived, according to one study.

Other research showed that over five years microentrepreneurs living in poverty increased their household income by about \$8,000, from \$13,000 to \$21,000. More than half moved out of poverty and dependence upon public assistance decreased by 61 percent.

The potential is especially great for women; on average, more than three-quarters of clients participating in microenterprise development programs in California are women.

VOLUNTEER OPPORTUNITIES

WE is an entirely volunteer organization, and has made enormous growth thanks to the kind help and devotion of our members. Please join us in our efforts. We have many options for involvement including:

- Consultants: Attorney, CPA, Web designer, Photographer
- Committees: Event planning, Fund-raising, Newsletter, Marketing.
- As needed help: Work at events; help with mailings and information materials.

- Work with the women served within the International Rescue Committee: Mentor a recently arrived refugee and/or an entrepreneur; facilitate a business skills workshop, tutor a student.

Please contact Carol Stein, cstein21@yahoo.com if you would like to volunteer. If you have other ideas for contributing your time that we have not mentioned, please let us know.

Business Loans for the World's Neediest Women

P.O. Box 501406 • San Diego, Ca 92150-1406 • (858) 486-6466

womens.empowerment@cox.net • www.womenempowerment.org