



CHARLES TRAINOR JR./HERALD STAFF

ADVANCING: Small-business operators Ramona Nickson, left, Louicilia Cilly and George About meet in a work group at Micro-Business USA, an agency helping low-income Miami-Dade County residents launch enterprises.

MIAMI

Start-up firms have ally

Micro-Business USA helps low-income entrepreneurs succeed by giving loans and advice. Since 1993, it has granted 2,500 loans totaling \$1.5 million.

BY MAMIE WARD
Herald Writer

After nearly 30 years in business as owner of a chain of restaurants, three do-it-yourself stores and a resort in Jamaica, Diane Silverman continues to capitalize on her clout as a successful business woman. However, she isn't doing so by opening more stores. Instead, she's opening doors.

Since 1999, Silverman has been executive director of Micro-Business USA, a Small Business Administration affiliate that helps people with low-incomes become self-employed and achieve financial self-sufficiency.

"Unless low-income people can accumulate assets, it's hard for them to pull themselves up by their bootstraps," Silverman said in an interview.

Micro-Business USA, also known as Partners for Self-Employment, started in the Dadeland area in 1993 under the name of Working Capital Florida. The organization, which relocated to 3000 Biscayne Blvd. in 1998, changed its name

to Micro-Business USA in 2000. The entity, which is certified by the U.S. Treasury Department, receives funding from the U.S. Small Business Administration to make loans — \$1.5 million so far. Micro-Business USA also receives \$500,000 from the Miami-Dade Office of Economic Development for operating expenses.

Since its inception, the group has trained more than 5,000 people and disbursed more than 2,500 loans without credit checks or collateral and has about a 95 percent repayment rate, Silverman

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Small start-up businesses find an ally in loan agency

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said. "We have money to lend," she said.

The agency offers an unlimited number of loans in small increments ranging from \$500 to \$35,000. The loans are targeted at building businesses, but the amount increases as clients demonstrate that they can repay, Silverman said.

The first loan helps give clients the tools they may need, such as business cards, fax machines and promotional items to get the word out about their businesses, Silverman said.

"Our focus is not the big loans," she said. "It's not the money that makes the difference. If you don't understand the basics of business, you'll hurt people."

Vicki Powell has been a Micro-Business USA member since February. Through the organization, she started a tutoring business. Step by step, in Allapattah.

Powell, who is in her 40s, said receiving her first loan of \$500 allowed her to believe her goal was attainable.

To become eligible for the loans, which take about six weeks to process, clients are placed into a loan group. The group functions as a loan board in which group members decide on loan applications. The loan groups provide support and allow members to interact with one another and critique each other on business plans, Silverman said.

"I felt reality set in," Powell said. "The groups helped step by step with getting a license and learning who to contact."

George Aboud, 50, a South Miami resident, owns an Internet business, Retire Quickly, which provides personal finance information. He started out in catering but saw no future for retirement in that industry.

"I realized that I would not be able to retire unless I did something different," he said in an interview. He came to the organization last December and has since worked his way up to his second loan of \$1,500 to keep his business growing.

Although Silverman is real-

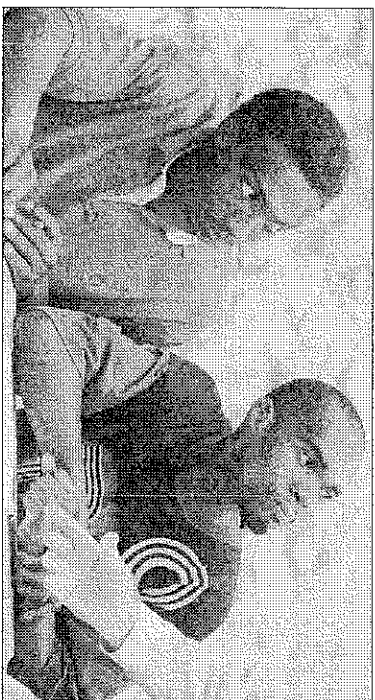
AT A GLANCE

Micro-Business USA grants loans to low wage-earners to help them start businesses. The program's Matched Savings Fund provides a grant of \$2 for every \$1 that a low-income person saves monthly toward owning a home or starting a business. The program is based at 5000 Biscayne Blvd. Call 305-438-1407.

izing her goal of helping others, teaching business ethics and skills sometimes can be challenging for people who walk in with a good idea and little else, Silverman said.

"Most of the people who come to us have no awareness of what it takes to run a business," she said. "First you have to get through the misperceptions. People don't understand that being in business is more difficult than working for someone."

Skills the nascent entrepreneurs learn include keeping financial records, recording



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CLIENTS: Sam Casseus, left, and Jeffrey Obdeus listen in an entrepreneur work group at Micro-Business USA.

daily sales and monthly expenses, Silverman said.

"Nothing I've done has been so difficult or so rewarding as giving people the chance to own their own business," said Silverman, 64, who opened her first business in 1955. Hungry Hounds, in what is now the Pinecrest area, mainly sold Kosher beef hot dogs, she said.

A family loan helped her get started, said Silverman, a Hallandale Beach resident. But low-income families generally don't have such resources, which is one of the reasons Silverman said she wanted to help.

"Miami is the poorest [largest] city in the U.S.," she said. "Someone needed to provide an opportunity to help people move up."

Along with helping clients own businesses, the organization has a second program

that assists low-income residents become homeowners. The Matched Savings Fund, added this fiscal year, is grant-funded by the federal government, Miami-Dade County and the city of Miami and helps clients to open accounts for saving toward buying their own homes.

After about two years, the organization will match 2-for-1 the total amount saved to help with the down payment on a first home. The savings also can be put toward a business.

Silverman said running a successful business and owning a home are two ways to build wealth for a person or for a community.

"When communities are thriving, you begin to see a difference in the lives of the entire family," she said. "The only way to do this is to give people a chance."