

Project Gate Demonstration Grant in North Carolina

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Focus: GATE (Growing America Through Entrepreneurship) is a scholarship program for custom training and coaching to help individuals plan and start their businesses. GATE is a scholarship program that provides training and coaching to help laid-off, or dislocated, workers interested in starting a business. It is being offered to rural North Carolinians from 2009 through 2011.

Geographic Area Served: The GATE program is a rural demonstration program of the U.S. Department of Labor. GATE is being offered to dislocated workers throughout North Carolina's 85 rural counties. There are two possible ways to participate.

Persons living near the small business centers in the community colleges at Isothermal, Lenoir, Randolph, Richmond, Robeson, Rockingham, Surry, and Western Piedmont will be served by the college that serves the 13 rural counties in their service areas. Individuals will be able to work with a local GATE counselor in person at these centers.

Dislocated workers from the remaining 72 rural counties in North Carolina will be served through a "virtual site." This will include counseling by phone and online training programs combined with training and business counseling through the Small Business Center of other community colleges (58 total Community College Small Business centers) throughout the state. Individuals served this way will still have access to local training and programs, but will be expected to communicate by phone and Internet generally.

Participant Age Level: No specific age is specified but applicants must be dislocated workers (lost a job through no fault of their own due to a business closing or layoff) and be eligible for the Workforce Investment Act (WIA) program.

Funding Sources: The U.S. Department of Labor is funding GATE as a demonstration project testing self-employment as an alternative career path for dislocated workers. There will be a total of 750 scholarships for participants offered in NC. North Carolina is one of four participating states. In North Carolina, the demonstration is being led by the N.C. Department of Commerce in cooperation with the N.C. Community College System - Small Business Network, the N.C. Employment Security Commission, the N.C. Rural Economic Development Center, North Carolina REAL Enterprises and local JobLink Career Centers. All partners are contributing through the provision of their services to the clients.

Key Services Abstract: At the JobLink Center dislocated workers can attend an orientation session and the staff can help interested persons apply for the GATE scholarship. A limited number of GATE scholarships will be offered in each location based on an application process. Those selected for the scholarship will receive:

- Individual assessment of entrepreneurial skills
- Entrepreneurship training and counseling
- An introduction to resource professionals who can help throughout the life of the business.
- Help applying for a micro-enterprise loan upon completion of a workable business plan

Those receiving the scholarship will receive:

- The new, three-hour seminar “From Losing My Job to Owning My Job” offered at the community college
- The N.C. REAL Entrepreneurship course (see www.ncreal.org for more information)
- Other business and entrepreneurship courses at the community college
- Online modules of courses offered by N.C. REAL and other sources
- Technical and vocational courses related to the particular business participants are starting
- Free ongoing coaching and confidential counseling from the Small Business Center at the community college. This may include assistance developing a business plan, financial counseling or credit repair, and help on other issues specific to the business.

After you take the recommended course of training, the GATE counselor will help participants determine if they and their business idea are ready to go. Participants may decide they don’t want to start this business, or at least not now. Participants may need additional training or counseling. If startup capital is needed, the GATE team will assess and offer various options, including the N.C. Rural Center’s Micro-enterprise Loan Program, but no grant money will be awarded for the business.

After the start of a business, the GATE counselor will continue to check in with business owners monthly and offer ongoing coaching and troubleshooting, provided that participants agree to an “open books” policy for the first year with the business counselor. All of the counseling received through GATE will be strictly confidential.

Summary of Key Benefits and Results: Billy Ray Hall of the NC Rural Economic Development Center says “Project Gate can help us build homegrown economies in struggling communities all across the state.”

The project is just beginning and thus the metrics identified for success will be measured as the project progresses.

The US DOL/ETA, The North Carolina Commission on Workforce Development, and the Employment Security Commission put in place waivers prior to the beginning of the effort to ensure that Project GATE participation will not interfere with unemployment insurance or any other benefits persons may be receiving as dislocated workers. Full time GATE enrollees will be eligible for a waiver from the Employment Security Commission allowing them to suspend the job search activities and visits to the ESC office while they work on developing their business.

Lessons Learned: Unemployment in North Carolina's 85 rural counties hit 12.3 percent in February 2009. Seventeen rural counties had jobless rates of 15 percent or higher.

Rural unemployment can be attributed in large part to continuing layoffs and closings by textile, furniture and other traditional manufacturers throughout the state. With other jobs scarce, self-employment may help keep rural workers in their communities. That potential is reflected in the growing numbers of dislocated workers expressing interest in creating their own job or small business.

Working with multiple partners to put in place a statewide project such as Project Gate takes considerable start up time as all boards have to be informed and appropriate approvals granted, as well as budget proposals approved before all partners can officially say they are ready to begin.

Having a website for communicating information to the public is essential.

Accessing Micro-Enterprise loans is a hard component to put in place.