

A Profile of Micro-Entrepreneurship in Western Maryland: How Demographic Variables Affect These Nascent Engines of Opportunity

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In an area of the state that has seen its manufacturing base decimated, the entrepreneurial spirit is resurging through micro business which compromise 88 % of all businesses in Maryland and jobs for over one-half million people. The first step in a state-wide study, a survey was mailed to micro enterprises in two counties in Western Maryland; Allegany and Washington, both of which are part of Appalachia. Findings from the study show a healthy number of microenterprises at work earning over \$100k, with many operating from home, and educational and gender breakdowns that were contrary to population demographics.

EXECUTIVE SUMMARY

The first step in a state-wide survey of microbusinesses was taken with a survey mailing conducted in two of the three Western Maryland counties, Allegany and Washington. Surrounded by the spectacular mountains of Maryland, both counties are considered part of Appalachia and both have experienced a devastating drain of jobs due to closed or moved manufacturing plants.

The purpose of the study was to obtain a profile of micro businesses in the two Western Maryland counties. This profile created baseline data for each county in the state for future research opportunities. The survey, mailed to businesses with less than 5 employees, consisted of 45 items. 110 responses were received and were analyzed using SPSS.

Findings show that 94.5% of Caucasians own a microenterprise. 27.3% are women. The majority of microentrepreneurs are 44-62 years of age. Only 4.5% did not finish high school and 15.5% earned a graduate degree. 65% had prior work experience related to their current business. 39% of the businesses were retail. The business was the primary source of income for nearly 60% of respondents. Many employed family members in the business. Most of the businesses were operated as sole proprietorships with annual revenues of over \$100k.

The portrait that emerges is that in two counties, long economically challenged, micro business is emerging and a regional renaissance is happening. Although anecdotal, a trip to the downtown areas of major cities in the two counties showcases this renaissance with renovated retail spaces, the opening of new and trendy businesses, and a general feeling of excitement in the clear mountain air.

INTRODUCTION

Microenterprise comprises more than one-half of all small businesses. Of these businesses, many are home-based, at least during the first few years of operation (SBA, 2004). The United States has the highest number of entrepreneurs per capita than any industrialized country (Reynolds, 1999, p. 2 in (Else, Doyle, Lisa, & Messenger, 2001). These are significant numbers that indicate the importance of entrepreneurship in general and, specifically, the significant role played by microentrepreneurship.

Until recently, the development of microenterprises focused on third world countries in spite of the fact that microenterprise development was a successful pathway to financial independence in the United States (Guste, 2006). Microenterprise development programs (MED) were formally initiated in the 1980s as an attempt to assist women, minorities, and disadvantaged individuals in starting businesses. At that time, it had been established that the traditional support network for small business startups was not working for these particular groups. MED programs were modeled after those developed for less developed countries (LDCs) (Else et al., 2001). With the advent of these programs, more attention has been paid to microenterprise growth in the United States and the importance of its role in entrepreneurship.

Recent studies of microentrepreneurship in West Virginia (WV) and Vermont (VT) found significant employment and productivity gains were typical of these enterprises. In WV, roughly 10% of the labor force was employed in microenterprises and they accounted for 12.9% of the goods and services produced in the state (Hicks, Wrenn-Harrell, Summitt, & Broughton, 2000). In VT, 55% of all businesses were microbusinesses (Unknown, 2000).

In the State of Maryland, microenterprises account for 17.8% of all employment, providing jobs for over a half-million people, and are considered critical as a focus of public investment with returns ranging from \$2.06 to \$2.72 for every dollar invested ("Microenterprise in Maryland," 2008). Those microenterprises that are successfully nurtured will become larger businesses, employing more, and contributing significantly to the tax base of the state. It is to everyone's benefit to foster microenterprise. But, according to Maryland state officials, not enough is known about either microenterprise in general or the subset, home-based business.

Frostburg State University (FSU), a constituent institution of the University System of Maryland, is located in Allegany County, one of the westernmost counties in Maryland. The area is considered part of Appalachia, with beautiful mountains and valleys, and a population of 73,400 with an average income of \$25,728 (Rein, 2008). Recently, FSU was named the managing institution of the Small Business Development Corporation (SBDC), regionally overseeing Allegany, Garrett, and Washington Counties. FSU has worked closely with state and local institutions to study as well as foster entrepreneurship in Western Maryland.

This study was conducted in two of the largest Western MD counties : Allegany and Washington. Washington County is on the very edge of commutable distance to Washington, DC and Baltimore, MD and has a population of 143,748 with an average income of \$45,344 (*Washington County, MD*, 2006). Both counties are mostly rural, although Washington County is one of the fastest growing counties in the state of Maryland and is a growing commuter area to the Metropolitan Washington, DC area.

In spite of the fact that Washington County is larger and denser in population and is experiencing population growth compared to the shrinking population numbers in Allegany County, Allegany has a slightly higher ratio of microenterprises to total firms, or 13% of all firms, compared to Washington County's 12% ratio. Furthermore, there have been no studies of microbusinesses conducted in the state of Maryland.

TABLE 1
WASHINGTON AND ALLEGANY COUNTIES, AND MARYLAND POPULATION & BUSINESS DATA

| | Allegany county | Washington county | State of Maryland |
|---|-----------------|-------------------|-------------------|
| Population | 72,831 | 143,748 | 5,615,727 |
| Population, percent change, 4-1-2000 to 7-1-2006 | -2.8% | 9.0% | 6.0% |
| Persons per square mile, 2000 | 176.3 | 288.0 | 541.9 |
| Median household income | \$33,554 | \$45,344 | \$57,019 |
| Total number of firms, 2002 | 4,471 | 9,399 | 443,540 |
| Private nonfarm establishments, 2005 | 1,760 | 3,488 | 138,481 |
| Private nonfarm employment, 2005 | 26,898 | 61,278 | 2,167,999 |
| Private nonfarm employment percent change 2000-2005 | 7.0% | 4.6% | 5.3% |
| Nonemployer establishments, 2005 | 3,135 | 7,939 | 400,007 |
| Caucasian | 67,150 | 126,354 | 3,554,755 |
| Black | 4,463 | 13,369 | 1,656,639 |
| Hispanic | 656 | 3,019 | 336,944 |
| Other | 1,239 | 3,882 | 381,870 |
| Number of microenterprises ¹ | 585 | 1087 | 452,389 |

Source: U.S. Census Bureau State & County QuickFacts (2008) and Association for Enterprise Opportunity (2008)

NOTE: ¹Based on compiled list data

LITERATURE REVIEW

A review of the general literature on entrepreneurship indicates there is a great amount of research providing statistics on new business startups related to gender, socioeconomic status, ethnicity, geographic area, and type of business. There is also a significant amount of literature that addresses why businesses succeed or fail, and what comprises the definitions of success and/or failure. The federal government and a number of state governments publish extensive studies on new business startups with demographic and geographic information regarding these enterprises. Several key studies funded by the federal government and compiled in special reports by the Small Business Administration indicate that small business is vital to the U.S. economy (U.S. Bureau of the Census; Advocacy funded research, 2004). Of the new business startups in a year, some 53% are home-based, meaning that there are about 250,000+ home-based businesses startups per year (SBA, 2004). Two thirds of new firms survive at least 2 years and about one-half survive 4 years. Interestingly, closure data indicated that one-third of firms that closed indicated that they were successful at the time of closure (Boden, 2001).

A wide-ranging study of entrepreneurship, the Panel Study of Entrepreneurial Dynamics (PSED), was conducted recently by over 100 researchers in 10 countries (Gartner, Shaver, Carter, & Reynolds, 2004). This study looked at entrepreneurship in terms of demographics, cognitive characteristics, the start-up process, and the societal environment for entrepreneurship. The central question, as stated in the resulting “*Handbook of Entrepreneurial Dynamics*,” was to answer the question, “Where do new firms come from?” (Gartner et al., 2004). Over 16,000 participants answered extensive questionnaires followed by telephone interviews for some participants. Surprisingly, this study did not look at home-based business as a discrete phenomenon although it touches on various aspects of working at home. However, this study brought to light many new findings about entrepreneurs as well as contradicted or challenged prior research studies.

Hebert and Link used the framework of economic theory to view the entrepreneur as the “central figure in economics” as stated by A. H. Cole cited in Hebert & Link (1988). However, basic questions have not been addressed regarding who the entrepreneur is and what makes him unique (Hebert & Link, 1988). These questions are critical to a fuller understanding of entrepreneurship and the key role it plays in the world economy. Entrepreneurship is a major force that drives the economies of many countries, particularly those in the Third World, and as Joseph Schumpeter said “moves the market away from equilibrium” (Unknown, 2005). As with any system, the disequilibrating force drives enterprise in new, creative, and dynamic directions. As an economist who studies entrepreneurship extensively, Israel Kirzner believed that “entrepreneurial discovery is at the centre of the real-world market process” (Kirzner, 2000).

Home-based businesses are of interest because they are a potential “wellspring” of economic activity (Beale, 2004, p. ES-1). Home-based businesses, enabled further by new technologies, play a growing, critical role in entrepreneurship in the world economy and are very much at the heart of the real-world process.

There are several important studies that focus on home-based business (HBB) entrepreneurs. Joanne Pratt, in a special report for the United States Small Business Association, found that “working out of the home has become a significant and growing phenomenon in the United States (Pratt, 1993). Pratt quoted a 1990 survey that found there are “7.4 million home business owners and 7.2 million freelance workers, totaling 14.6 home-based business persons out of a workforce of 122.7 million” (Pratt, 1993). In a subsequent report, Pratt found that although business owners’ profiles were similar, marked differences were found when owners were separated into home-based versus non-home-based (Pratt, 1999). More of the home-based business were sole proprietorships; less startup capital was necessary; fewer employees are hired; only 5% gross 1 million or more; home-based businesses move to more traditional office space when gross receipts reach about \$50,000; and many home-based business owners just want to earn a secondary income, whereas non-home based businesses are earning the primary income for the owner (Pratt, 1999). Overall trends indicate growth in home-based business formation and its critical place in the economy of the United States. These data are representative of what was happening in the 1990s. Research that segments and develops further understanding of home-based entrepreneurs will significantly contribute to the existing body of literature.

So much of the existing literature concentrates on “work-at-home-moms,” (called “homework”) and/or microentrepreneurship. Nancy Jurik described self-employed homework as a gendered phenomenon (Jurik, 1998, p. 8). She stated that research on small business and entrepreneurship portrays two views of those who work from home; one view is of liberated innovators “getting away” from many of the constraints of conventional employment (Beach, 1989; Carter & Cannon, 1992; Heck, Owen, & Roe, 1995 in Jurik (1998). The other view is that of the marginalized, minority or disadvantaged worker (Blackford, 1991; Else & Raheim, 1992 in Jurik, 1998). In other studies, home-based entrepreneurs were viewed as those who chose to work at home in order to care for children or because of factors in the external labor market, fewer jobs available, layoffs, and so on (Ammons & Markham, 2004; Berke, 2003; Carr, 1996). Some recent research on women-owned businesses deemphasized home-based ownership, even though it is on the rise. The research concluded that home-based ownership may be a good option only for women who do not have strong financial needs (Loscocco & Smith-Hunter, 2004). Other research has looked at home-based entrepreneurs who are crafts persons (Litrell, Stout, & Reilly, 1991). Overall, there is still a lack of attention to home-based entrepreneurship as a viable, vibrant path to business success. There exists a growing class of successful professional-managerial, home-based entrepreneurs that is not being studied in any significant way.

THE RESEARCH STUDY

Two counties in Western Maryland, Allegany and Washington, were chosen as the starting point in what will ultimately be a state-wide study of microenterprises. A survey questionnaire consisting of 45

questions was mailed to a list obtained through a national list compiler. The list was compiled via telephone surveys and consisted of microenterprises in the two counties with less than 5 employees.

An offer was extended to participants as an option to receive a copy of the study if they provided their names and addresses. Alternatively, participants could opt out and return anonymous answers to the surveys if they did not wish to reveal their names. The survey consisted of questions constructed in a Likert scale format as well as questions that requested details of hiring, marketing, operations, and other functions that are core to any small business enterprise.

Responses were entered and analyzed with SPSS.

Research Question

The purpose of the survey study was to obtain a profile of micro businesses in two Western Maryland counties. This profile created baseline data for each county in the state for future research opportunities.

FINDINGS AND DISCUSSION

A total of 110 usable responses were obtained from the sample population. To better understand the responses, it is important to learn the demographic composition of the participants. An overwhelming percent (95%) of the respondents were Caucasian, 76% were married, 75% were over the age of 44, 72% were male, 32% had a high school diploma or less education while 39% had at least a Bachelors degree (see Table 2).

**TABLE 2
DEMOGRAPHICS**

| Gender | Percent | Age | Percent |
|-----------------------|----------------|------------------------------------|----------------|
| Female | 27.3 | 1-28 | 1.8 |
| Male | 72.7 | 29-43 | 20.0 |
| | | 44-62 | 57.3 |
| | | over 63 | 18.2 |
| Ethnicity | Percent | Education | Percent |
| Caucasian | 94.5 | Did not finish High School | 4.5 |
| Hispanic | 0.9 | High School Diploma | 27.3 |
| Native American | 1.8 | Some College | 19.1 |
| Oriental | 1.8 | 2 yr Community College Certificate | 9.1 |
| Marital Status | Percent | 4 yr College Degree | 23.6 |
| Married | 76.4 | Graduate Degree | 15.5 |
| Single, Divorced | 13.6 | | |
| Single, Never Married | 9.1 | | |
| Widow(er) | 0.9 | | |

Despite the statistics of small businesses failing, nearly 63% of the respondents reported being in business for over 10 years! Organization wise, 45% were a sole proprietorship, but surprisingly, over 79% of the businesses were not based in the respondents' homes. Furthermore, less than 2% were franchises of existing businesses indicating demand for new goods and services are strong.

As expected, a high percentage (65%) of the respondents had prior work experience in their business area and a majority (58%) had family members involved in their own business.

Needless to say, retail operations (39%) were the highest business focus. Annual revenue over \$500,000 was achieved by 24% of the participants, while only 21% had annual sales of less than \$50,000. Consequently, their business was the primary source of income for nearly 60% of the respondents. Only 11.8% did any importing (See Table 3).

**TABLE 3
BUSINESS FACTORS**

| Years of Operation | Percent | Ownership | Percent |
|-----------------------------------|----------------|--------------------------|----------------|
| 1-3 | 3.6 | Sole proprietorship | 44.5 |
| 4-6 | 16.4 | Partnership | 4.5 |
| 7-10 | 17.3 | LLC | 13.6 |
| >10 | 62.7 | Corporation | 12.7 |
| | | S-corporation | 19.1 |
| | | Other | 0.9 |
| Home-based | Percent | | |
| Yes | 20.9 | | |
| No | 79.1 | | |
| | | Annual Revenue | Percent |
| | | < 10k | 6.4 |
| | | 10-25k | 6.4 |
| | | 25-50k | 9.1 |
| | | 50-100k | 6.4 |
| | | 100-500k | 36.4 |
| | | 500-1million | 12.7 |
| | | > 1 million | 11.8 |
| Prior Work Experience | Percent | | |
| Yes | 64.5 | | |
| No | 33.6 | | |
| | | Financial Support | Percent |
| | | Sole | 59.1 |
| | | Supplement | 24.5 |
| | | Other | 3.6 |
| Family members in business | Percent | | |
| Yes | 58.2 | | |
| No | 41.8 | | |
| | | Franchise | Percent |
| | | Yes | 1.8 |
| | | No | 98.2 |
| Focus | Percent | | |
| Professional service | 19.1 | | |
| Construction | 11.8 | | |
| Manufacturing | 10.0 | | |
| Distributor | 0.9 | | |
| Retail | 39.1 | | |
| Transportation | 1.8 | | |
| Finance | 10.0 | | |
| Other | 7.3 | | |
| | | Import | Percent |
| | | Yes | 11.8 |
| | | No | 87.3 |

To obtain a richer understanding of the participants, statistics using gender as a variable were conducted. With regard to age, the two groups were nearly identical with nearly 60% of both sexes having ages in the core 44-62 working years. Males were much more likely to be married, divorced or single than females.

In terms of education, males with a High School diploma constituted the largest sector. While approximately 40% of both genders had 4 yr or graduate degrees, females had double the percentage of graduate degrees than males (see Table 4).

TABLE 4
PERSONAL DEMOGRAPHICS IN %

| Age | Female | Male | Total |
|------------------------------------|---------------|-------------|--------------|
| 1-28 | 0.0 | 2.5 | 1.8 |
| 29-43 | 20.0 | 20.3 | 20.2 |
| 44-62 | 60.0 | 57.0 | 57.8 |
| over 63 | 16.7 | 19.0 | 18.3 |
| Marital Status | | | |
| | Female | Male | Total |
| Married | 20.0 | 56.4 | 76.4 |
| Single (divorced) | 3.6 | 10.0 | 13.6 |
| Single (never married) | 2.7 | 6.4 | 9.1 |
| Widow(er) | 0.9 | | 0.9 |
| Education | | | |
| | Female | Male | Total |
| Did not finish High school | 3.3 | 5.1 | 4.6 |
| High school Diploma | 16.7 | 31.6 | 27.5 |
| Some college | 33.3 | 13.9 | 19.3 |
| 2 yr Community College Certificate | 6.7 | 10.1 | 9.2 |
| 4 yr College Degree | 16.7 | 26.6 | 23.9 |
| Graduate Degree | 23.3 | 12.7 | 15.6 |

While most participants had been in business for over 10 years, the female respondents tended to be in business fewer years than males. This may be due to more females embarking on entrepreneurship ventures. As expected, males dominated not only the Manufacturing and Construction firms, but all other firms as well. Even though the sole proprietorship was the most common structure, the second most common structure for women as the S-Corporation. Revenues between \$100,000 and \$500,000 were the most cited segment for both. However, only 5% of female firms had revenues in excess of \$500,000 per year while males had 22%. Males (43%) also tended to have other family members in business as opposed to females (14%) (see Table 5).

TABLE 5
BUSINESS FACTORS BY GENDER IN %

| Years in Business | Female | Male | Total |
|--------------------------|---------------|-------------|--------------|
| 1-3 | 3.3 | 3.8 | 3.6 |
| 4-6 | 23.3 | 13.8 | 16.4 |
| 7-10 | 20.0 | 16.3 | 17.3 |
| >10 | 53.3 | 66.3 | 62.7 |
| Business Focus | | | |
| | Female | Male | Total |
| Professional Service | 7.3 | 11.8 | 19.1 |
| Construction | 0.9 | 10.9 | 11.8 |
| Manufacturing | 0.9 | 9.1 | 10.0 |

| | | | |
|----------------------------------|---------------|-------------|--------------|
| Distributor | | 0.9 | 0.9 |
| Retail | 13.6 | 25.5 | 39.1 |
| Transportation | | 1.8 | 1.8 |
| Finance | 3.6 | 6.4 | 10.0 |
| Other | 0.9 | 6.4 | 7.3 |
| Business Structure | Female | Male | Total |
| Sole proprietorship | 39.3 | 48.1 | 45.8 |
| Partnership | 7.1 | 3.8 | 4.7 |
| LLC | 14.3 | 13.9 | 14.0 |
| Corporation | 10.7 | 13.9 | 13.1 |
| S-Corporation | 25.0 | 17.7 | 19.6 |
| Other | 3.6 | | 0.9 |
| Annual Revenue | Female | Male | Total |
| < 10k | 2.0 | 5.1 | 7.1 |
| 10-25k | 3.1 | 4.1 | 7.1 |
| 25-50k | 4.1 | 6.1 | 10.2 |
| 50-100k | 3.1 | 4.1 | 7.1 |
| 100-500k | 10.2 | 30.6 | 40.8 |
| 500-1mill | 2.0 | 12.2 | 14.3 |
| > 1 mill | 3.1 | 10.2 | 13.3 |
| Family Member in Business | Female | Male | Total |
| Yes | 14.5 | 43.6 | 58.2 |
| No | 12.7 | 29.1 | 41.8 |

However, there were some weak, but statistically significant findings. For example, if a business was home based, there was a negative correlation of $r = -.214$, $p < .05$. This finding infers that if a business is home based, it would be male. Surprisingly, males comprised 91% of the home based businesses. Similarly, prior work experience in that area also revealed a negative correlation of $r = -.196$, $p < .05$. This finding infers that males were more likely to have prior work experience than females. In addition, when comparing the business as a level of financial support revealed a negative correlation of $r = -.207$, $p < .05$. This infers the business as a primary support is primarily used by males. In fact, males were more than twice as likely to receive their primary financial support from the business (see Table 6).

TABLE 6
STATISTICALLY SIGNIFICANT GENDER RELATIONSHIPS

| Home-based | Female | Male | Total |
|------------------------------|---------------|-------------|--------------|
| Yes | 1.8 | 19.1 | 20.9 |
| No | 25.5 | 53.6 | 79.1 |
| R = -.214, p < .05 | | | |
| Prior Work Experience | Female | Male | Total |
| Yes | 13.0 | 52.8 | 65.7 |
| No | 13.0 | 21.3 | 34.3 |
| R = -.196, p < .05 | | | |
| Financial Support | Female | Male | Total |
| Sole | 36.4 | 76 | 65 |
| Supplemental | 52.4 | 21.3 | 27 |
| Other | 9.1 | 2.7 | 6 |
| R = -.207, p < .05 | | | |

Additional weak statistical correlations revealed the respondents with family members in business were also less likely to import. $r = -.201$ $p < .05$. Similarly, participants with prior work experience were less likely to import as well. $r = -.211$ $p < .05$ (see Table 7).

TABLE 7
CORRELATIONS WITH IMPORT AS DETERMINATE VARIABLE IN %

| Family Members in Business | Import | | |
|-----------------------------------|---------------|-----------|--------------|
| | Yes | No | Total |
| Yes | 30.8 | 61.5 | 57.8 |
| No | 69.2 | 38.5 | 42.2 |
| R = -.201 p < .05 | | | |

| Work Experience | Import | | |
|------------------------|---------------|-----------|--------------|
| | Yes | No | Total |
| Yes | 38.5 | 69.1 | 65.4 |
| No | 61.5 | 30.9 | 34.6 |
| $r = -.211$ $p < .05$ | | | |

The respondents revealed that the lower the level of education, the greater the probability that a member of their family had had their own business. This makes intuitive sense since many of these participants may have not seen the need for education as they sought to follow the business path set forth by relatives. Interestingly, as the educational level of the respondents increased, there was less chance that their family members had had their own business $r = .204$ $p < .05$ (see Table 8).

TABLE 8
EDUCATION WITH FAMILY MEMBERS IN BUSINESS IN %

| Education | Family Member in business | | |
|------------------------------------|----------------------------------|-----------|--------------|
| | Yes | No | Total |
| Did not finish High School | 6.3 | 2.1 | 4.6 |
| High School Diploma | 30.2 | 23.9 | 27.5 |
| Some College | 23.8 | 13 | 19.3 |
| 2 yr Community College Certificate | 7.9 | 10.9 | 9.2 |
| 4 yr College Degree | 20.6 | 28.3 | 23.9 |
| Graduate Degree | 11.1 | 21.7 | 15.6 |

r= .204 p <.05

CONCLUSIONS AND IMPLICATIONS

So What?

The entrepreneur is the “central figure in economics,” according to A. H. Cole (as cited in Hebert & Link, 1988). Since microentrepreneurship is more than one-half of new business startups and accounts for significant employment, goods and services, and state and federal taxes, it behooves us to learn much more about these businesses. There is a new wave, as well, of microentrepreneurship with the looming retirement of baby boomers. “Grey” entrepreneurship is a growing phenomenon according to the SBA (2004) and is predicted to grow even further as the baby boomers retire to find they must supplement inadequate retirement funds with home-based enterprises (Minerd, 1999).

With new technologies, it is easier and, thus, more likely that individuals will be able to launch new businesses away from urban centers. An expectation on the part of the Western Maryland counties studied in this survey is that more and more individuals will find it possible, even relatively easy, to launch new businesses. A consistent theme found in a study of home-based entrepreneurs, all microentrepreneurs, was that quality of life – a seeking of a quieter, less stressful lifestyle -- was a big factor in leaving the traditional corporate world to start new businesses (Mattare, 2006). It is in the great interest of those who research entrepreneurship to better understand these trends and how the current support structures are enabling, or not enabling, the microenterprise.

Little is known about Maryland micro enterprise or the counties looked at in this study. Part of Western Maryland and Appalachia, the demise of manufacturing jobs has left an economic devastation without apparent solutions in both Allegany and Washington counties. However, there are a healthy number of financially independent and successful micro businesses operating in both counties, the bulk of which earn sales of over \$100,000. One-fifth of these businesses are operated from home by a high percentage of men, dispelling assumptions that mostly women operate businesses from home. Over one-half of these businesses are the primary source of financial support for their owners. Caucasians, at 89% of the combined populations, own 95.5% of the microenterprises. There were no responding Black micro businesses, in spite of Blacks comprising 8% of the combined populations.

High-technology startups, potentially publicly traded, tend to get the attention of those involved with new business ventures. But in the vast areas of the United States experiencing a transformative move from traditional factory jobs to the unknown, the micro enterprise is a key way to financial independence and success. The picture emerges, with this study, that microentrepreneurship thrives and deserves more attention and research.

A profile of micro-enterprise businesses has implications on economic development policies for the state. The needs of micro businesses dictate a paradigm shift in legislatures' and financiers' perspectives to seed and grow grass roots capitalism.

Research has shown that given the conditions for nurturing, these micro-businesses can grow, thereby hiring more people and profoundly impacting the jobless rate as well as reviving any regional economic outlook if proper incentives and policies are enacted. This study is the first step of a state-wide look at microenterprises.

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