

MOVING THE MICROENTERPRISE FIELD FORWARD

Priorities, Strategies and Roles

**A Report on a Meeting of
Practitioners, Intermediaries and Funders**

February 13, 2009



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MOVING THE MICROENTERPRISE FIELD FORWARD

Priorities, Strategies and Roles

Purpose of this document

This is a time like no other in the history of the U.S. microenterprise field. Born of deep necessity – responding to institutional barriers to inclusive enterprise opportunity in the 1980s – the field has grown from the bottom up, manifesting itself in hundreds of microenterprise development programs that today support a quarter of a million microentrepreneurs a year. Over its history, the field has experienced changes in economic conditions, demand and the political environment. Sometimes these factors supported the industry’s growth, while at other times they posed great challenges. Microenterprises themselves have emerged as a response to both opportunity and necessity. But no time has posed the incredible set of challenges and opportunities that this current moment has. The intertwined financial and economic crises pose serious threats to our nation, and microenterprise development programs, while affected by these crises, are seizing the opportunity to serve. At the same time, the Obama Administration offers the potential for partnership that the industry has not seen in eight years.

In this context, the microenterprise field must rally around a set of strategies that can make a difference for the millions of microentrepreneurs struggling to sustain and grow their businesses in adverse times, and for the industry itself. Just as the Obama Administration has spoken of the importance of using the stimulus package not only to build the economy today, but also to build the infrastructure of tomorrow’s economy, so too should the microenterprise field not only work to support job creation now, but also to strengthen its capacity to deliver even greater benefits going forward. The intent of this document is to outline a set of key strategies that can drive the field forward.

The genesis of this document

During the fall and early winter of 2008, a number of leading organizations in the field – funders, practitioners and national intermediaries – began to talk about the need to come together and forge a common vision and action plan for the microenterprise field. FIELD (the Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination) at the Aspen Institute and the Corporation for Enterprise Development (CFED) decided to co-host a convening, and invited stakeholders representing each of the groups to begin building an agenda together. Included were representatives of the Association for Enterprise Opportunity, the RUPRI Center for Rural Entrepreneurship, seven practitioner organizations, three State Microenterprise Associations, and four funders. (Appendix A contains a list of participants.) Financial support from Citi and Capital One, along with in-kind contributions from the convening hosts and all of the participants, enabled the group to meet on February 13, 2009 in CFED’s offices. The goals of the meeting were to:

- Frame a set of priorities for the field that reflects the extraordinary political and economic circumstances;
- Identify critical opportunities and issues/challenges facing the field;
- Discuss strategies and needed steps for addressing issues and opportunities; and
- Determine potential actions moving forward for key players in the field.

To ensure that these ambitious goals could be met, the meeting was preceded by a three-week “convening” by wiki. Using that medium, participants shared papers discussing the economic and political context and suggesting strategies, and commented on each other’s thoughts. After the meeting, a similar wiki process supported the development of this document.

This document presents the prevailing sense of the group as conveyed throughout the virtual and in-person conversations. No voting took place, nor was there an attempt to achieve universal agreement with each statement. The document also focuses on the major areas of discussion and perceived agreement or support. Many other ideas surfaced during the conversations that had merit, but did not receive equally strong support. These other ideas can be found in the wiki papers that are available at <http://fieldus.org/MeetingWiki.pdf>. The intent here is to focus on the key strategies that have urgency and broad support.

The current context

Seven postings on the wiki considered how the recession and financial crisis, and the new Administration and Congress, were affecting the field and the writers' organizations. The contributions of presenters and participants at the meeting provided greater depth to the collective understanding of the current context.

The economic and financial environment

The picture portrayed in the postings and discussions suggests an evolving context with many unknowns. There was broad agreement that the economic downturn has increased the demand for business development services. Programs are encountering people who have lost their jobs and want to test self-employment as their next career, and existing entrepreneurs who seek help devising survival strategies and finding new markets for their products and services. Demand is also coming from individuals who have credit challenges due to accumulated debt and bad spending habits, and need financial literacy services.

On the other hand, the effect on the demand for microloans seems market-specific. While some practitioners report increasing demand as banks have pulled back on lending, others report that this has not happened in their markets. Although some describe an influx of applicants with higher credit scores, others report that an increase in the number of inquiries has not converted into increased loan production because the financial position of many applicants makes lending problematic. So while some microlenders report an increased need for capital to fuel their loan funds, others do not. And while some report loan growth with their traditional lending products, others find themselves working to fashion new products and services that address credit building first. Across the board, microlenders report increasing concern with maintaining portfolio quality and the need to strengthen loan-loss reserves in the face of increasing delinquencies and defaults. In all cases, the situation demands that microlenders respond quickly to the changing marketplace.

As practitioners must be nimble to confront the rapidly changing context, they also face an evolving funding environment. The endowments of traditional philanthropic partners have diminished; corporate partners report reduced earnings, and state governments face budget cuts. Although federal

dollars will increase in the short run, it is not clear that this growth will offset other losses. As programs see opportunities to grow or shape their services to meet the changing needs of entrepreneurs, they question where the resources will come from, and whether they will be able to sustain new initiatives.

The policy context

There was universal agreement that a sea change has occurred with the coming of the Obama Administration and the new Congress. After years of fighting a defensive war to retain funding for key microenterprise initiatives, President Obama and Congressional leaders recognize that entrepreneurship and microenterprise are critical to short-term recovery, and necessary components of their economic recovery plan. The field already has won additional funding through the stimulus package for the SBA Microloan program and for the CDFI Fund, and the president's budget overview for Fiscal Year 2010 requests \$25 million for the Microloan program and a doubling of the CDFI Fund budget. However, once the economy begins to recover, deficit-reduction policies (including concordant pay-go rules) will return, threatening cuts to discretionary programs. Those engaged in policy advocacy find a receptive ear for additional initiatives, but with that promise comes great responsibility. Advocates and practitioners alike recognize the strong accountability that will be demanded in return for funding, and that the field will be judged on its ability to deliver new businesses and jobs, especially in tight fiscal times.

In summary

Current circumstances demand urgent action. There is a need for more complete and more current market data that captures changes in the demand from microentrepreneurs and the experiences and outcomes of service providers. This information must be fed rapidly into policy advocacy and guide funder support. Deeper partnerships among institutions working in the field, and new alliances with sympathetic institutions in allied fields are essential in order to push the policy agenda *and* craft more effective and more efficient programs. The growing call for accountability means programs must be prepared to demonstrate that they can produce the specific results demanded in today's climate. Above all, the field must increase its capacity so that it can deliver on the potential it has long embodied.

Key strategies

From conversations that took place at the in-person meeting and via the wiki emerged a set of four key strategies seen as critical to responding to the extraordinary context in which the microenterprise field now operates. As noted above, these were not the only strategies and ideas raised in the course of the discussions, however, these four evidenced the greatest urgency and most widespread support.

- Advocate for *a comprehensive policy agenda* for the field.
- Develop *a campaign around the new Making Work Pay tax credit*.
- *Build the capacity and scale of microenterprise organizations* through a two-pronged approach.
- Create *stronger connections between the microenterprise, economic development and entrepreneurship fields*.

A comprehensive policy agenda

The current political context opens the opportunity to pursue a much more ambitious and comprehensive policy agenda for the microenterprise field. In past years, advocacy efforts have focused largely on saving key programs targeted for elimination by the Bush Administration. Today, with a Congress and an administration poised to take action on a number of key policy fronts – including regulatory reform of the financial sector, a new tax bill and health care – there will be a number of opportunities to move legislation that not only can support and increase the capacity of microenterprise programs, but also can improve the prospects of microentrepreneurs.

The Microenterprise Anti-Poverty Consortium¹ (MAP) already has crafted a broad policy agenda intended to take advantage of this new context.² That agenda recommends not only increased funding for microenterprise development organizations, but also regulatory and tax policies that could improve the flow of capital to community-based lenders, provide an improved tax environment for sole proprietors, remove barriers to self-employment faced by particular groups of low-income individuals, and help entrepreneurs

¹ MAP is an informal coalition comprised of CFED, AEO, FIELD, the Center for Rural Affairs, and the State Microenterprise Associations.

² See the MAP agenda, outlined in the wiki postings, and included in the supplemental document at <http://fieldus.org/MeetingWiki.pdf>, p. 22.

to access health insurance. These recommendations are based, in part, on a number of pilot and demonstration programs in which the field has been engaged.

In addition, this is also a time when the microenterprise field can develop and promote a bold agenda to increase its capacity and reach. The Association for Enterprise Opportunity (AEO) has developed some ideas in this vein that it has put out for discussion among the field, and shared with key policy makers in Washington. Several organizations, including AEO, have proposed the creation of a federal Office of Microenterprise, and the discussion at the February meeting included a reflection on the role of the U.S. AID Office of Microenterprise and its contribution to the international microenterprise development industry. Although the discussion did not achieve consensus on any one approach to new federal investment in the field, there was general agreement that investment in building the field's capacity was essential to enable it to successfully deploy additional funds and meet the growing needs of entrepreneurs. Policy initiatives should take into consideration not only the amount of funds required, but also the types of funding that the field most needs and can deploy. In particular, what is needed is increased funding for business development and credit-building services, and funding to build the organizational capacity required to support growth.

The conversation also identified the need to think about the role the field will play as the nation rebuilds its financial system. The microenterprise field has been part of a larger effort to build and advocate for a set of community-based financial institutions that provides access to financial services for low-income and other individuals who cannot access mainstream financial institutions. As the nation looks to build and regulate a new financial system, the field can play a role in making the business case for traditional financial institutions to provide these services, and the policy case for ensuring that financial institutions meet these need – either directly or in partnership with microenterprise programs and CDFIs. State Microenterprise Associations, state-level coalitions of microenterprise practitioners, play a critical role in making the case for support of the field.

A campaign around the Making Work Pay Tax Credit

As CFED commented in a posting from its Self-Employment Tax Initiative (SETI) staff, the Making Work Pay tax credit passed as part of the stimulus package provides a:

“unique opportunity for the microenterprise field to mount a national effort to take advantage of these direct tax credits to serve microenterprises ... Like the EITC, which provides tax credits (up to \$4,000+) for the microbusiness net profits of qualifying households, the broader MWP tax credit will provide an additional support (\$400 or \$800) that can help with the regressivity of Social Security and Medicare taxes, which hit the self-employed particularly hard, and could induce non-filing “informal” businesses to formalize ...”

The Making Work Pay tax credit could serve as the centerpiece of a national campaign to channel more dollars to low-income microentrepreneurs (11 million of whom file business taxes yearly) and potentially funnel new clients seeking financial advice and business assistance to programs (two to three million low-income, self-employed are new filers every year). VITA sites working with this population are already developing complementary services such as sector-specific bookkeeping, retirement planning and IDA savings. The annual “stocktaking” that tax preparation implies presents a focused moment for additional business training and/or technical assistance as well, and if the right tools are available to programs, tax season can become “microenterprise development season” as well.

Developing a campaign for the 2009 tax season (which runs from January 1–April 15 2010), when filing for this tax credit would occur, is imperative. While employed workers will realize their tax credit through withholding, microentrepreneurs will only access this benefit if they apply for it at tax time. An effort focused on the two to three million new filers could encourage them to access this credit, “start their business right,” and connect with supportive microenterprise services.

Steps are already in motion to test the viability of a national or regional campaign, which will require the development of:

- **Partners** across the microenterprise and tax preparation communities who take on complementary roles to market the program broadly, provide

tax preparation services, develop links to microenterprise program services, and in some cases, provide customized technical assistance to meet needs that emerge through this process.

- ***Web-based tools*** to support campaign implementers with marketing and outreach, training and quality control in tax preparation, and customer processing and screening.
- ***Public affairs materials*** – directed to state and community leaders – that emphasize the importance of self-employment job creation in recessionary times, and how the tax campaign can support business and community development.
- ***An evaluation process*** to track uptake and benefits (and possibly other useful business-related data).

While some microenterprise programs have engaged in tax preparation to assist low-income entrepreneurs to access the EITC and help build assets, this campaign would require many more microenterprise programs to enter new territory and engage in new partnerships. For this to succeed, the campaign needs participants at all levels – from the trade association, to other national intermediaries, to State Microenterprise Associations and practitioners. The potential payoff is enormous, both for the microentrepreneurs who would benefit from the tax credit and access to services they may not have been aware of, and for the field, which could see thousands, and potentially millions, of additional customers arriving at its doors. Such growth in demand will require significant expansion in the field's capacity, as described below.

Building capacity and scale through strengthening industry leaders and investing in industry platforms

In this time of rising demand and expanded federal resources, one of the central issues that emerges is how to build the field's capacity to meet a growing set of needs. The microenterprise field has always been challenged by the mismatch between the number of entrepreneurs who face difficulty accessing resources and the number it can serve. In the current context, as more entrepreneurs seek services – whether because their existing businesses face declining sales; they are seeking to generate self-employment income in the wake of job loss; or they can no longer access bank financing for their business – the challenge to build capacity and scale is magnified.

Conversations around the meeting identified two key means to build scale and capacity. The first is to ***strengthen leading programs in the industry***. A set of industry-leading programs already has developed the capacity to serve large numbers of entrepreneurs. Perhaps more importantly, these leaders have been the seedbeds of many ideas, products and emerging pieces of infrastructure that are the foundation for greater capacity and scale across the industry. Many of these leaders are seeking to grow further, while still ensuring their future sustainability. Some are also developing tools that they want to share with others in the industry. These efforts contain both the promise of greater scale and effectiveness, and a model for moving the industry forward. To fulfill that promise, however, the field will need to:

- *Secure growth capital:* The field needs patient capital that supports the investments in organizational capacity and long-term financial health that are required if organizations are to grow in a sustainable manner. Always in scarce supply and needed more than ever, the field and its funding partners need to find ways to deliver this capital to more institutions in the industry.
- *Strengthen networks of leaders:* Although individual leading organizations have made important breakthroughs on their own, leaders who have come together to form networks that provide a base for peer learning and the creation of joint tools have accelerated their growth and development. Examples include the network of U.S. affiliates of ACCION International, and the members of the FIELD/AEO Scale Academy for Microenterprise Development. Networks like these need to be supported to increase their contribution to the industry. Other microenterprise development organizations also need to find opportunities to use the power of networks to efficiently advance the field's progress.
- *Adequately fund innovation:* Several industry leaders are developing tools and platforms that other microenterprise programs can use to build scale and capacity. Examples include ACCION Texas' Microenterprise Management System (MMS), and WESST Corporation's WESST.TV. While such tools hold tremendous value for the field as a whole, they are expensive to develop. Few funders support this type of innovation at the level that is required, and as a result the organizations that develop them do so by eking out small amounts of funding or internally generated funds over time, slowing their development and deployment to the field. This situation calls for the creation of funding structures to provide adequate capital for these innovations.

The ***creation and adoption of industry platforms*** is the second key means to build capacity and scale. Although industry leaders play a key role in creating the innovations and tools for change, the field will only realize its

potential if the remaining 80 percent of the field – its small to mid-size programs – can access and use these innovations. Recent research has shown that industry platforms are the most effective way to increase the scale, sustainability and impact of smaller programs.

An industry platform is a central place, or launch pad, where programs can go to acquire products, services, and tools needed to run their businesses that they cannot access (or cannot affordably access) on their own. Platforms also help to facilitate, accelerate and strengthen networks, which are also key to the expansion and enhancement of capacity in the field. Examples of existing platforms in the microenterprise field include: ACCION Texas' MMS, WESST.TV, Credit Builders Alliance, and MicroMentor. Many of these platforms are still emerging – adding new features and products, and reaching out to secure additional users. As noted above, most were developed by individual programs or organizations, and their growth has been limited by lack of adequate funding. Several steps need to be taken in order to increase the availability and impact of industry platforms:

- *Invest in networks of leaders and innovation capital*, as noted above. Leadership networks can be an important force in the development of platforms, and innovation capital is needed to support their development.
- *Develop and/or expand existing platforms* in key areas of need. The conversations around the February 13 meeting identified additional areas where platforms are needed. One is in the area of industry marketing. Such a platform could house a national call center, or hotline, which could promote microenterprise programs nationally and then make referrals to local programs.
- *Support learning about and the adoption of platforms*. Platforms are an emerging concept in the microenterprise field; practitioners need to be made aware of their potential value. And while platforms can expand capacity and/or reduce costs in the long term, there are costs involved in accessing them and integrating them into an organization's operations. If the field is to recognize the value of platforms, intermediaries must help practitioners better understand their potential value, practitioners must seek to explore their application to their work, and funders of all types (public and private) should look to support organizations' efforts to access and use these tools.

Connecting entrepreneurship, economic development, job creation and asset development

The microenterprise field has for several years recognized the importance of asserting and strengthening the connection between entrepreneurship and both economic and asset development. In the current economic and financial context, these connections become even more important. Under the current Administration and with interest from leading legislators, the microenterprise field has an unprecedented opportunity to embed microenterprise in the broader entrepreneurship and economic development continuum – in terms of practice, policy and markets. As policy makers focus on entrepreneurship, the field must make clear the connection among microenterprise/self-employment, growing businesses, and even the “gazelles.”³ Entrepreneurs with businesses of all sizes experience similar challenges and opportunities: they need equity, their loan needs tomorrow are not the same as yesterday, and they are adding jobs, value and products and services. Further, as President Obama touts the creation of a “save and invest” economy that grows more nimble and adaptable, the field must remind people of the role that microenterprise can and does play both in building the economy and in helping individuals build assets, improve their credit, and develop longer-term financial security.

The RUPRI Center for Rural Entrepreneurship wrote in its wiki postings that its recent work has demonstrated the importance of entrepreneurship to rural economic development, and that “it may be the **most promising** strategy for rural places.” Nevertheless, linking economic development policy and entrepreneurship (with microenterprise development as a component of entrepreneurship) has been challenging. A set of new opportunities suggests that it is time to make that connection clearer, with policies that “advantage enterprise development work at the regional, state and national levels,” and gain the resources to implement them. The opportunities include:

- A supportive Administration that recognizes the importance of small businesses to the health of the economy.
- Congressional leaders (including Committee chairs) who include microenterprise among their top priorities.

³ A gazelle is a small, fast growing company. They are often defined as having grown “at least 20% for each of the last four years, starting with at least US\$ 1 million in sales.” http://www.1000ventures.com/business_guide/sustainable_growth_rapid.html

- Proposed investments in economic development assistance and infrastructure, and in alternative energy, that can benefit rural communities.
- A body of innovative work in rural entrepreneurship, developed over the last few years through the support of funders like the W.K. Kellogg Foundation, the leadership of intermediaries like RUPRI, CFED, AEO and others, and the creativity of many practitioners.

While this work has had a rural focus, where the best opportunities for progress may lie, urban areas can learn from these approaches as well. As the rural work has highlighted, creating an entrepreneurial environment requires two factors important in any setting: a change in culture that emphasizes “growing our own” rather than business recruitment, and a systems approach that “connects the dots” among service providers and among communities to create broader, regional networks.

Realizing these opportunities requires:

- Rapid expansion and dissemination of the learning about innovations demonstrating that entrepreneurship translates into economic development, and
- Collaborative efforts that change policies and practices to build on these innovations.

As noted above, the field has experienced individuals and institutions that can push this work forward. And, funds being channeled to economic development through EDA, WIA, CDBG, USDA, HUD, the SBA and the Federal Home Loan Bank System represent the financial opportunity to translate these ideas into practice. The moment to intervene is during the planning processes – underway now and going forward, which can be used as an organizing moment for enterprise development. There are also efforts to ensure funding for the Rural Collaborative Investment Program that was authorized as part of the recent Farm Bill. And the Farm Bill of 2013 represents another opportunity to make the case that rural development is about more than farming, and that support is needed for community investments in job creation through entrepreneurship.

With regard to asset development, the field must clearly identify microenterprise and business development as asset development. Business

ownership is one of only a few asset-building strategies, yet asset penalties that exist in safety net programs pose a particular barrier to entrepreneurship among the poor. Furthermore, the larger saving and asset-building account systems and proposals tend to miss microenterprise and business development, focusing instead on the use of IRAs, 529S and 401ks for home ownership, higher education, or savings and investment.

In the meeting discussion, CFED reported that the 111th Congress is likely to significantly expand asset-building policies. Legislation supported by the President and introduced in Congress would match retirement savings and enact automatic enrollment into retirement accounts for the half of the workforce that currently lacks access to employer-sponsored accounts. In addition, legislation is expected to be proposed that will: expand individual development accounts; establish accounts at birth for every child; and provide matches for homeownership and college education. As discussions around these policies emerge, and pieces of legislation are advanced, the field must work to ensure that small business ownership is incorporated as appropriate.

Supporting strategies

In addition to the four key strategies described above, the conversations emphasized three additional strategies essential to support the above efforts. The field needs to:

- Expand and update market information,
- Measure indicators that best demonstrate its contribution to economic change, and
- Better brand and market itself.

Expand and update market information

The changed landscape in which the field now operates sets the stage on which its future efforts must play out. The meeting and preceding wiki discussions yielded a rich set of commentary on the emerging economic and political context. Participants noted that while the key trends affecting the field out are national in scope, they have varying impact in different regions and communities across the country. For example, some regions and communities have seen far greater retrenchment of banks from business lending than others. Clearly some regions of the country are more affected by the recession and the foreclosure crisis. And while nationally there is the

prospect for greater federal investment in microenterprise, most states are anticipating budget cuts in the face of dwindling tax revenues.

Furthermore, the national trends facing our industry continue to play out. It is unclear how and when the crisis in our financial system and the recession will end, and what the implications will be for microenterprise programs as the economic situation continues to unfold and be resolved. To respond effectively – in terms of policy development and advocacy, as well as practice – the field needs to continue to monitor and understand these trends. While a range of national and state intermediaries and organizations – from trade associations to policy and research organizations – can play a role in helping to identify, aggregate and analyze these trends, it is also important that microenterprise practitioners contribute by sharing data and experiences that shed light on the impact of these national trends on their local efforts.

Measure for accountability

The word metrics infused the convening. Raised initially by two participants in their pre-meeting wiki postings, many participants at the convening emphasized repeatedly that the trust the new Administration places in the field comes with the responsibility to demonstrate results. Accountability is the watchword, and while the field has made much progress in defining standards and developing infrastructure like MicroTest to measure performance and outcomes, the time has come to update these efforts and move toward universal participation.

First and foremost, the field needs to be able to speak to the metrics that count most in this moment: jobs (creation and retention) and businesses (starts, stabilization and growth). But other measures are also important: the number of clients served, amount of financing outstanding (loans and dollar amounts), the return on investment and/or multiplier effect, and possibly the field's geographic penetration and contributions to the green economy. As possible, the field should aim to connect microenterprise to the Administration's policy priorities around mobility and opportunity, such as those to be developed by Vice President Biden's Middle Class Task Force.

Each microenterprise development organization needs to be able to speak to its own performance, and the field needs to be able to deliver a

comprehensive picture of its accomplishments in a timely way. This will require resuming efforts that have lagged in the last few years – around standards and accreditation, and around the industry-wide survey and directory. In addition, MicroTest should be updated to address recent developments in the field, and develop methods and tools to help more institutions participate. Some of this work – aimed at building more comprehensive, robust and transparent data on the field – is long-term work.

Most importantly, in the short run, the field needs to agree on a few key measures that all programs will measure, and institutions must develop the capacity to collect them correctly. There is a need for state intermediaries, such as SMAs, and national intermediaries to come together quickly with practitioners to define those measures and develop collection methods. This effort will have immediate payoff in helping everyone in the field speak accurately and effectively about the results. In the long run, this work will contribute to improved systems for data reporting that can increase public awareness and investor interest, and increase public sector confidence. There is no time to waste.

Brand and market the field

Participants also broadly agreed on the need for improved and increased efforts to brand and market the field. Several practitioners in the room noted that efforts to develop new funding streams for, and build new capacity in, programs will have limited success if not accompanied by improved efforts to create awareness and knowledge on the part of potential clients and the general public. A number of microlenders in particular noted that their greatest challenge in deploying loan capital lies in the area of marketing. Other practitioners noted that they no longer use the term “microenterprise” to describe their work and/or organization, as they find it does not connect with either the entrepreneurs they serve or local residents and leaders. Instead, they use the terms self-employment or small business enterprise.

Branding and marketing is an area where work is needed at many levels: national, state and local. National leaders have a key role to play in developing the brand, advancing it on a national level, and providing information and tools that practitioners can use to connect to it. State intermediaries, such as SMAs, also can play a key role in both advancing the brand through their work, and in working with their members. Practitioners

also will need to connect their local public awareness and marketing efforts to the national brand. The conversations generated a few interesting branding and marketing ideas, including launching a campaign through an industry platform that provides tools and information on how to connect to the brand.

Commitments and next steps for moving the field forward

The convening and preceding wiki discussion identified the key strategies described above that are necessary to respond to today's environment. In the weeks following the meeting, the participating organizations reflected on these strategies, and identified steps and actions that they would take – either individually, or in partnership with others – to advance the field's progress in those areas. The following list identifies actions that the meeting participants already have committed to implement in support of the strategies identified at the convening.

We view this list of commitments as a starting point for the field's progress. We share it now with the hope that others – practitioner organizations, other national intermediaries and support organizations, funders and other partners – also will step forward to sign on to this agenda, and identify areas where they will commit to take action by putting resources – such as staff time or financial resources – toward the promotion of these strategies. In some cases, we also have identified organizations already active in these areas with whom we hope to partner.

We welcome the participation of all who support the field in this important process.

Advancing the Key Strategies

A comprehensive policy agenda

Committed Actions

The Microenterprise Anti-Poverty Consortium commits to continue current efforts to promote its broad-based agenda for microenterprise support, including meeting with key legislators and their staffs, and collaborating with federal agencies and national allies. MAP's policy priorities include strengthening financial regulation (including CRA) to ensure and improve financial institution investment in the wellsprings of enterprise development

– new, young and growing businesses and microbusinesses. CFED commits to continued fund-raising to support and host MAP.

CFED also commits to making “support for microenterprise” one of the core state policies advanced through CFED’s “Assets and Opportunity Scorecard.” CFED is connecting State Microenterprise Associations to state asset-building coalitions to move state policy forward.

RUPRI commits to tap its rural policy expertise to comment on and provide insight into proposed policy directions for the field.

Potential Partners

The Opportunity Finance Network (OFN) and CDFI Coalition continue to advocate for a broad-based agenda in support of CDFIs; key advocacy voices in the microenterprise field should continue to connect to and support their efforts.

In addition, OFN is leading an effort to bring together the CDFI industry and key advocacy organizations as a critical voice and force in reshaping our nation’s financial industry and system of financial regulation. Again, the microenterprise field should connect to and contribute to these efforts.

The Friends of the Microloan Program is the advocacy group of 30 SBA microloan programs across the country. As a strong advocate for the microloan program and the only group with that single focus, the field should join forces to help grow the number and strength of microloan programs.

A campaign around the Making Work Pay tax credit

Committed Actions:

CFED commits to a campaign around the Making Work Pay tax credit through its Self Employment Tax Initiative (SETI). In early summer 2009, CFED/SETI will convene a policy forum that incorporates and develops next steps for a Making Work Pay campaign.

FIELD will partner with CFED/SETI to offer a Webinar on the Making Work Pay tax credit campaign.

Potential Partners:

FIELD and CFED/SETI also will explore the potential to partner with Aspen's EITC Platform to develop new tools to support filing of Schedule C tax returns.

The National Community Tax Coalition, IRS officials (including VITA staff and the National Taxpayer Advocate's office), the national association for Certified Public Accountants, and national tax preparation chains should all be engaged for advice, and as potential partners in the campaign.

Building the capacity and scale of microenterprise organizations*Committed Actions:*

FIELD and AEO commit to continuing to support peer exchange and networking among the members of the Scale Academy for Microenterprise through at least 2010, and to continue their funding support for the development and use of industry platforms by Scale Academy members.

FIELD commits to conduct research on emerging industry platforms, and to educate practitioners and others in the field about emerging platforms through a set of Webinars.

OMEN and the State Microenterprise Associations commit to building the capacity of Microenterprise Development Organizations (MDOs). By disseminating best practices, conducting public education and advocacy about the value of microenterprise development at the local, state, and national levels, and supporting the development of effective microenterprise development services, SMAs are committed to ensuring robust support for MDOs and the microenterprise field.

Connecting the microenterprise, economic development, entrepreneurship and asset development fields*Committed Actions:*

CFED is partnering with the RUPRI Center for Rural Entrepreneurship on a Rural Entrepreneurship Triple Bottom Line Project supported by the Ford Foundation. This project will identify opportunities for green enterprise development in rural areas.

RUPRI, CFED and FIELD commit to create a series of learning opportunities and to support the development of networks to share and advance learning around rural economic development and entrepreneurship efforts. Green enterprise development will be one of the learning topics.

The Northeast Entrepreneur Fund, through its 10-year initiative, the Greenstone Group, commits to sharing its learnings about rural entrepreneurship and systems development with the field.

Advancing the Supporting Strategies

Expand and update market information

Committed Actions:

FIELD is supporting OFN in its efforts to collect quarterly data on market trends from CDFIs, and will use data provided by OFN to issue quarterly reports on trends among CDFIs primarily engaged in microlending.

FIELD is conducting interviews with key industry actors and other experts to monitor emerging trends and their impact on the microenterprise industry.

Measure for accountability

Committed Actions:

FIELD is developing a new generation of its MicroTest product to expand both use of the tool and dissemination of the data.

FIELD also will work with interested State Microenterprise Associations, RUPRI and CFED to identify a set of key performance metrics that can be collected through an annual survey process.

OMEN and a number of State Microenterprise Associations commit to working with CFED, FIELD and AEO to determine a set of key performance metrics, to be collected through an annual survey process.

Brand and market the field

Committed Actions:

CFED commits to maintaining its youth entrepreneurship and SMA Web sites, which provide extensive guidance and tools for marketing and operating high-performing programs.

Moving the Microenterprise Field Forward: February 13 Participant List

Name	Organization
Janie Barrera	ACCION Texas
Zulma Bianca	Association for Enterprise Opportunity
Karen Dabson	RUPRI Center for Rural Entrepreneurship
Daniel Delehanty	Capital One
Elaine Edgcomb	The Aspen Institute/FIELD
Sheri Flanigan Vazquez	Justine Petersen
Bob Friedman	CFED
David Glass	AEO and American Indian Economic Development Fund
Yma Gordon	Citi
Anne Haines	ACCION New Mexico Arizona Colorado
Kersten Hostetter	Association for Enterprise Opportunity
Rose Jaspersen	Nebraska Enterprise Fund
Joyce Klein	The Aspen Institute/FIELD
Andrea Levere	CFED
Gary Lindner	ACCION Texas
Annika Little	Bank of America
Jack Litzenberg	C.S. Mott Foundation
Deborah Markley	RUPRI Center for Rural Entrepreneurship
Mary Matthews	Northeast Entrepreneur Fund
Brandee McHale	Citi Foundation
Kate McKee	CGAP, The World Bank
Kirsten Moy	The Aspen Institute/Economic Opportunities Program
Kim Pate	CFED
Gene Severens	CFED
Welthy Soni-Myers	Virginia Microenterprise Network
Nancy Stark	CFED
Nancy Swift	Jefferson Economic Development Institute (JEDI)
Tamra Thetford	Aspen Institute/FIELD
Greg Walker-Wilson	Mountain BizWorks
Carol Wayman	CFED
Eric Weaver	Opportunity Fund
Patricia Williams	Georgia Micro Enterprise Network
Bill Zavarello	Policy Consultant