

# FIELD *forum*

ISSUE 6

***FIELD***  
***will examine***  
***the strengths,***  
***weaknesses, and***  
***costs associated***  
***with different***  
***settings from***  
***which micro-***  
***enterprise***  
***programs***  
***operate.***

Ten grantees expected to shed light on:

## INSTITUTIONAL MODELS FOR MICROENTERPRISE DEVELOPMENT PROGRAMS

**D**oes the institutional setting from which a microenterprise program operates matter? Do some settings offer greater prospects for sustainability, program quality, scale and impact on clients, businesses and the community at large?

Such questions prompted FIELD to make grants recently to 10 microenterprise programs, nested in a variety of institutional settings, in order to examine the strengths, weaknesses and costs associated with different models. The ten organizations, each of which will receive two-year, \$70,000 grants, were selected from a field of 55 applicants that responded to a Request for Applications process that began last fall and concluded in April.

FIELD, which conducts research to benefit the microenterprise industry, selected this topic for exploration with a number of key questions in mind. For instance, when microenterprise programs are housed in larger organizations, do they connect to the other community development efforts of that agency? And what are the effects of such cross-program collaborations – on the institution, the client, the businesses and the community? Ultimately, FIELD's goal is to share with the broader microenter-

prise field the lessons learned about institutional partnerships and models.

This grant cluster is one of three made in 2000 by FIELD, and one of five made since FIELD began grant-making in 1999. With this round of grants, FIELD now has distributed \$3 million to 33 organizations nationwide that are engaged in microenterprise demonstration projects.

This issue of *FIELD forum* is designed to detail the issues behind this grant cluster, explain the rationale for conducting research on this topic and briefly describe the organizations awarded grants as part of this learning cluster.

### The Issue

In the early years of the microenterprise field in the United States, most microenterprise programs were single-purpose nonprofit organizations, created with a sole programmatic focus

*Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination*

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on microenterprise development. Over time, however, as interest in the microenterprise strategy has grown, microenterprise programs have been formed within larger, existing organizations – most of which are not-for-profit organizations.

In some cases these new models have emerged because existing organizations saw the microenterprise strategy as an important tool for helping to fulfill their mission; in others, because individuals interested in starting a microenterprise program sought to take advantage of the strengths of an existing organization.

Today, microenterprise programs exist in a range of organizational settings, including:

- Community Development Financial Institutions (CDFIs), such as nonprofit loan funds, community development credit unions and diversified CDFIs.
- Community Development Corporations, which have added microenterprise development to their more traditional focus on housing and commercial development.
- Community Action Agencies, which see enterprise development as one component of their efforts to address the range of needs facing very low-income individuals.
- Multifaceted development or human services organizations, which may provide employment or human services, in addition to microenterprise.

Research by the Aspen Institute and other organizations\* has documented the challenges faced by microenterprise programs seeking to achieve greater scale and sustainability. In some cases, nesting microenterprise programs within larger institutions may assist programs to reach these goals. The potential benefits of

embedding programs within larger organizations include:

- *The ability to tap into the nonprofits' existing relationships to locate potential microenterprise clients.* Established nonprofits may have existing relationships with low-income individuals interested in pursuing self-employment. These relationships can be of great value in marketing the microenterprise program – especially because many programs have found that building a trusting relationship is key to attracting and retaining clients.
- *The potential to draw on players in the community who can provide access to resources.* Most microenterprise programs rely, to some extent, on locally-raised resources to support their training and lending activities. Existing organizations typically have relationships in the community that can assist them in securing resources – thereby enhancing their sustainability.
- *The ability to spread administrative, and perhaps program, costs over a wider range of programs and activities.* Larger, existing organizations also are likely to be able to take advantage of economies of scale in operating a microenterprise program. For example, they may be able to spread the costs of some core functions (development, financial management, etc.) over a broad set of programs. Some types of institutions may also realize economies of scale in service delivery. A CDFI, for example, may realize cost savings in managing its loan portfolio because of its existing skill base and infrastructure for making and servicing loans.

Beyond the issues of scale and sustainability, some institutional settings also

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\* See Elaine Edgcomb, Joyce Klein and Peggy Clark, *The Practice of Microenterprise in the U.S.: Strategies, Costs and Effectiveness*. Washington D.C.: The Aspen Institute, 1996; *Small Steps Toward Big Dreams*. Flint, Mich: The Charles Stewart Mott Foundation, 1992-1995; and *Widening Windows of Opportunity: Strategies for the Evolution of Microenterprise Loan Funds*. Prepared by Shorebank Advisory Services for the Charles Stewart Mott Foundation, 1992.



appear able to enhance the potential *impact* of microenterprise programming, on either the individual microentrepreneur, or the community more broadly. For example:

- Microenterprise programs *nested within human services organizations*, such as community action agencies, have the ability to offer clients a broader range of services, which may enhance their overall economic self-sufficiency. Such services might include employment, child care, health care, or access to larger loans or personal financial services, etc.
- Microenterprise programs *nested within development organizations*, such as community development corporations or other local development groups, may have the ability to move microenterprise beyond an individual development strategy to one that can help stimulate broader-based community development. In addition, these types of organizations also may have relationships in the business community that are important to the entrepreneurs they serve.

## The Challenge

**A**lthough it is becoming increasingly common to find microenterprise programs nested in broader institutions, it is important to recognize that there are some potential challenges and weaknesses to such arrangements. For example:

- The parent organization may lack a long-term commitment to microenterprise, particularly if the program was launched because of the interest of a staff member or a funding opportunity. Single-purpose organizations do not face this question of whether microenterprise development is truly central to their broader organizational mission.
- The microenterprise program may have to compete with other, larger programs for resources and the attention of management. In many cases, microenterprise programs housed within larger

organizations represent a fairly small percentage of the agency's overall activities. In these cases, the benefits associated with shared overhead costs must be balanced against a potential lack of focus on microenterprise.

- The skill base of the implementing staff within the organization may be low, particularly if these staff are working part time in different agency programs. In addition, in organizations where microenterprise development is a particularly small part of the overall agency, it may be hard to advocate successfully for investment in staff development.

Although practitioners in the field can, and have, discussed the potential strengths and weaknesses of various institutional settings for microenterprise development, the respective benefits and costs of these various models have not been documented. In order to make informed choices about the best institutional settings for microenterprise development, the field needs more concrete information and documentation.

To that end, FIELD issued a Request for Applications that will lead to documentation and analysis of the costs and benefits of promising models for microenterprise development programs embedded within different institutional settings.

Specifically, FIELD sought microenterprise programs operating from within a variety of institutional settings, including those housed in: community action or human services agencies; community development corporations or local/regional development organizations; community development credit unions; or community development loan funds or diversified CDFIs.

In addition, to qualify for funding the programs were required: to demonstrate a deliberate effort to exploit the strengths of their institutional setting – particularly as those relate to the challenges of achieving scale, sustainability and client and commu-

nity impact; and to propose investments or organizational changes that would strengthen the microenterprise program and the linkages to other programs or aspects of the total agency.

Finally, although FIELD did not require grantees to serve a specific percentage of low-income clients, applicants with a strong low-income focus were ranked high in the grant review process.

## The Grantees

Following an extensive review process, 10 programs, operating in both urban and rural settings, were selected to receive grants. Three of those grantees are involved in other microenterprise demonstration projects. Goodwill Industries of North Georgia, for instance, was selected in April to receive a two-year, \$100,000 grant to participate in another FIELD-initiated and funded demonstration project. That demonstration is examining ways to deliver effective follow-up technical assistance to low-income microentrepreneurs.

Another grantee – Central Vermont Community Action Council Inc. (CVCAC) – was awarded a two-year, \$100,000 grant from FIELD in 1999 to pursue research into how training and technical assistance can impact entrepreneurs and their businesses.

Finally, People Incorporated of Southwest Virginia currently is participating in a demonstration designed to identify innovative ways low-income entrepreneurs can market their goods and services. That demonstration is supported by grants from The Charles Stewart Mott Foundation. FIELD manages and evaluates the learning cluster.

The 10 organizations chosen to participate in the Institutional Models demonstration operate from five distinctly different settings. During the proposal review process, some common themes emerged for each of those settings. Those themes, drawn

from the submitted proposals, are described on the following pages, along with a synopsis of each grantee and its research plans.

## Credit Unions

### Common themes:

- Propose to use long-term, multifaceted relationship with large depositor base of low-income people as target market for microenterprise program.
- Work with individuals to bridge “readiness gap” – i.e. credit repair, check cashing. Model proposed is one of a transactor growing to an owner of assets.
- Offer broad range of services and products to existing clients — i.e. equity, check cashing, savings.
- Have stable funding base to weather cash-flow crises, implying more cost effective delivery of services.
- Take an “educational,” long-term approach to clients in order for them to gain greater economic literacy and become mainstreamed into the financial world.
- Typically, these grantees feel they can achieve greater scale, with most projecting they will double their microenterprise client base.

The grantees are (alphabetically listed by state):

### Alternatives Federal Credit Union Ithaca, New York

Founded in 1979 by a group of microenterprise owners and social activists, Alternatives is a community development credit union that houses a microenterprise program, called the Community Enterprise Opportunities (CEO) program. CEO provides entrepreneurial education, business counseling, business support services, advocacy and access to credit for aspiring or expanding business owners.



The FIELD grant will allow Alternatives to explore how the CEO program can deliver services more effectively. More specifically, Alternatives will: expand services into rural counties; implement a number of new and/or improved services; evaluate various service delivery methods to determine which are most effective for different populations; and develop a system to collect, maintain and analyze data to help assess program impact.

**Credit Where Credit Is Due, Inc. (CWCID)**  
New York, New York

CWCID is a nonprofit organization that works to promote economic empowerment among low-income residents in the Upper Manhattan neighborhood of Washington Heights. In addition to running a financial literacy education program, in 1997 CWCID opened a community development credit union in the neighborhood. Assisting microentrepreneurs is central to both the credit union and to the educational programs offered by CWCID.

With FIELD funding, CWCID plans to open a branch of the credit union in West Harlem and improve the management information system used to track borrowers from the application process through the loan repayment period and beyond. Such data collection will allow for more meaningful analysis of the impact of CWCID's work on local microentrepreneurs.

**Burlington Ecumenical Action Ministry (BEAM)**  
Burlington, Vermont

BEAM was created in 1968 by a group of clergy and laity seeking to use a faith-based approach to community problems. In addition to starting, and in some cases "spinning off," a number of successful social services projects, BEAM also created

and maintains an ongoing partnership with the Vermont Development Credit Union, which was chartered in 1989. The credit union's mission includes microenterprise lending. Entrepreneurs needing business assistance are provided with one-on-one support or are referred to third-party training specialists at community colleges and other non-profits.

BEAM sees its mission as serving all motivated, low-income microentrepreneurs by building a bridge to "bank-ability" for those individuals who are not immediately qualified. BEAM has developed an "advised/counseling-based lending" program that will assess microenterprise loan applicants and analyze their barriers; recommend and monitor action plans to address those barriers; and provide or refer applicants to business consulting services to bridge any readiness gaps. BEAM will use its FIELD grant to underwrite the cost of a new microenterprise advisor/loan officer position to better support microenterprise clients and expand the volume of loans to these individuals. BEAM expects to fund this position internally after the grant ends.

**Community Action Agencies**

**Common themes:**

- Tend to be strong, older institutions with financial security and local, state and national recognition.
- Institutions are committed to serving the poor; not surprisingly, constituents are low-income people.
- Have track record for providing services (primarily social services) to low-income people.
- Proposals called for making cross-referrals to programs within an institution to provide more comprehensive and helpful services and to reach more clients.
- Proposed using a "master data base" to track clients and make cross-referrals easier.

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## GRANTEES AT A GLANCE

### CREDIT UNIONS

<b>Name</b>	Alternatives Federal Credit Union Ithaca, N.Y.	Credit Where Credit is Due New York, N.Y.	Burlington Ecumenical Action Ministry (BEAM) Burlington, Vt.
<b>Year Established</b>	1979	1997	BEAM 1968, credit union 1989
<b>Number of Clients/members</b>	8,000	2,200	5,500
<b>Size of Organization</b>	\$2.4 million operating budget	\$4.2 million in assets	\$11 million in assets
<b>Area Served</b>	8 counties in N.Y.	Washington Heights and West Harlem neighborhoods	180 towns out of 225 in Vt.
<b>Percentage of low-income or poor clients</b>	44% in poverty	85% low-income	80% of members low-income
<b>Idea</b>	Propose helping pre-entrepreneurs into more stable economic status by moving them from financial "transactors" to financial owners. Offer other services in financial literacy and money management	Offer multiple services, including financial literacy courses and staff technical assistance visits to businesses. Propose branch expansion to West Harlem and new performance tracking system	Offer other services in addition to business loans, including one-on-one action plans, counseling-based lending, cross-referrals with other parts of program to address the credit readiness gap
<b>Benefits of Setting</b>	<ul style="list-style-type: none"> <li>• Clients from large member base</li> <li>• Outreach capacity</li> <li>• Strong infrastructure</li> <li>• Access to many different financing products</li> <li>• Cash flow stability</li> <li>• Equity investments to small businesses available</li> </ul>	<ul style="list-style-type: none"> <li>• Growing membership in credit union</li> <li>• High-quality education programs</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-service, long-term relationships with clients</li> <li>• Have credit scoring assessment model for low-income screening</li> <li>• Services for individual development as well as business development</li> </ul>

### COMMUNITY ACTION AGENCIES

<b>Name</b>	Central Vermont Community Action Council, Inc. Barre, Vt.	People, Incorporated of Southwest Virginia Abington, Va.
<b>Year Established</b>	1965	1975
<b>Organizational Characteristics</b>	<ul style="list-style-type: none"> <li>• Broad array of program services</li> <li>• Microenterprise program established in 1988, serves 175 people per year</li> <li>• Mission of organization is to move people out of poverty</li> </ul>	<ul style="list-style-type: none"> <li>• Founded as Head Start organization, then added economic development, housing and other areas</li> <li>• 200 staff with 32 core programs</li> </ul>
<b>Area Served</b>	56 towns in rural north Vermont	4 rural counties, 1 small city and parts of Tennessee

\$6.8 million/193 micro clients/year

\$8 million/5,000 clients

- Propose integration across programs including assets, childcare, Head Start, family housing, farm workers, emergency services, welfare to work, loan fund
- Create master database to track clients and cross-refer

- Propose collaboration between human development and economic development programs within agency
- Plan to form new affiliated economic development corporation to become a CDFI
- Develop MIS that will allow cross referrals between programs and tracking of client impact

- Embeddedness in a community action agency with a broad array of comprehensive services
- Strong political presence
- Sharing of administrative costs across programs
- Improved case management with coordination of services
- Large low-income client base

- Access to adequate operating capital
- Scale potential and "optimized performance"
- Sustainability of institution
- Reputation at state, local and national levels
- Strong systems and operating procedures

**NETWORKS**

<p><b>Name</b></p> <p><b>Maine Centers for Women, Work and Community</b> Augusta, Maine</p>	<p><b>Massachusetts Association of Community Development Corporations/Community Business Network</b> Boston, Mass.</p>	<p><b>Western Massachusetts Enterprise Fund</b> Greenfield, Mass.</p>
<p><b>Year Established</b></p> <p>1978</p>	<p>1997</p>	<p>1990</p>
<p><b>Organizational Characteristics</b></p> <ul style="list-style-type: none"> <li>• 15 centers and sites statewide, 8 of 14 center offices are in university facilities</li> <li>• Administered by University of Maine System</li> <li>• Manage statewide microenterprise TANF program</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration of 10 Boston CDCs, plus Massachusetts Association of CDCs as administrative coordinator</li> <li>• Urban focus with outreach in specific ethnic neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration of 11 member CDCs in region</li> <li>• Created statewide entrepreneurial training program</li> </ul>
<p><b>Idea</b></p> <ul style="list-style-type: none"> <li>• Establish internal tracking across sites using MICROTEST</li> <li>• Establish university research/advisor team and link university with program</li> <li>• Establish micro training as credit-earning course</li> </ul>	<ul style="list-style-type: none"> <li>• Organize CDCs into three groups with one lead CDC to foster non-duplication of staff and reduced costs</li> <li>• Collaboration between independent entities</li> <li>• Affiliate CDCs do marketing, outreach, intake and refer to lead CDC for lending and training</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct market surveys on each CDC to determine micro market parameters</li> <li>• Establish client-tracking system</li> <li>• Further develop incentive-based system for lead and affiliate CDCs</li> </ul>
<p><b>Benefits of Setting</b></p> <ul style="list-style-type: none"> <li>• Access to university system</li> <li>• University provides physical space for statewide outreach</li> <li>• University provides financial cushion for cash-flow needs</li> <li>• University accords respectability</li> <li>• University provides clients with access to education opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Local connectedness and autonomy of each CDC</li> <li>• Scale is possible as a collaborative of many organizations</li> <li>• Sustainability is possible with lower administration costs</li> </ul>	<ul style="list-style-type: none"> <li>• Local organization brings embeddedness within local communities, lead regional organization attracts state and national capital</li> <li>• Service delivery can be aggregated and more efficient</li> </ul>

## GRANTEES AT A GLANCE (CONTINUED)

### EMPLOYMENT & TRAINING AGENCY

<b>Name</b>	Goodwill Industries of North Georgia, BusinessNOW Atlanta, Ga.
<b>Year Established</b>	Goodwill 1925, BusinessNOW 1996
<b>Organizational Characteristics</b>	Pre-vocational and vocational services through two community career resource centers
<b>Number of Clients</b>	3,000
<b>Idea</b>	<ul style="list-style-type: none"> <li>• Use their tested employment training approach of assessment for microenterprise clients</li> <li>• Breakdown organizational “disconnects” between vocational education, welfare to work, job retention, self-employment and help clients to choose appropriate services</li> <li>• Offer other Goodwill services in family and health areas to microentrepreneurs</li> </ul>
<b>Benefits of Setting</b>	<ul style="list-style-type: none"> <li>• Established relationships with funders</li> <li>• Cost savings in overhead and administration</li> <li>• Proven outreach strategies and relationships</li> <li>• Micro clients can take advantage of other Goodwill services</li> <li>• Existing client pool provides large potential client pool</li> <li>• Proven assessment system</li> </ul>



### COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

<b>Name</b>	Northeast Entrepreneur Fund Virginia, Minn.
<b>Year Established</b>	1989
<b>Organizational Characteristics</b>	Microenterprise program embedded within larger CDFI
<b>Number of Clients</b>	3,252 (1989-1999)
<b>Idea</b>	<ul style="list-style-type: none"> <li>• Increase sustainability through increase in loan activity and large-sized loans</li> <li>• Generate 50% of revenues through earned income</li> <li>• Create local advisory councils to increase number of low-income clients</li> <li>• Seek course qualification for CORE Four Business Planning Course from industry/professional licensing agencies, and community college continuing education credit</li> <li>• Create Web site for increased scale and outreach to customers</li> </ul>
<b>Benefits of Setting</b>	<ul style="list-style-type: none"> <li>• Offer advanced business services to clients as businesses grow</li> <li>• Increased revenue from larger loans</li> <li>• Proposed certified training course</li> </ul>



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The grantees are:

**Central Vermont Community Action Council Inc. (CVCAC)  
Barre, Vermont**

CVCAC is a nonprofit community action agency offering a variety of programs including: Head Start, Early Head Start, a weatherization program, crisis fuel assistance and a welfare-to-work program. In 1988, CVCAC developed a Micro Business Development Program that today offers: training in starting or expanding a small business, counseling on how to obtain loans, mentoring and post-loan technical assistance. Because the micro business program is embedded in a community action agency with an array of comprehensive services, it has been able to share some administrative costs and personnel, and more easily refer clients to services housed at the agency.

CVCAC plans to use FIELD funding to: build a case-management structure that helps ensure better coordination of the services clients use; develop a master data base that is shared among programs so that referrals can be more easily made and the agency can better track the services clients use; and develop new ways for agency staff to become better informed about each other's work to improve referrals and overall practices within the agency.

**People, Incorporated of Southwest Virginia  
Abington, Virginia**

Founded 35 years ago, People, Incorporated is a community action agency that today has more than 200 on staff and offers 32 core programs aimed at helping low-income people as they work to improve their lives, their families and their communities. Its microenterprise program, called *BusinesStart*, ful-

fills its mission to promote greater economic self-sufficiency by encouraging self-employment and asset development.

Plans now are underway both to form an economic development corporation that will house all of the loan, business and housing funds, and to seek designation as a Community Development Financial Institution. People, Incorporated plans to use FIELD funding to develop a comprehensive management information system that gathers, measures and reports useful information on the performance and impact of *BusinesStart*. Such data is expected to lead to better coordination of the services housed within People, Incorporated, thereby improving the organization's ability to serve its client base.

**Networks**

**Common themes:**

- Within networks, lead agencies are selected to provide core services (loans, training, technical assistance, etc.) and other affiliates are responsible only for outreach and intake.
- Tend to find cost effective and high impact ways to provide services over broader geographic areas by identifying core strengths of different affiliate members.
- "Mainstream" microenterprise as one stable stream of funding and ongoing work within state or regional economic development/human services activities and budgets.

The grantees are:

**Maine Centers for Women, Work, and Community  
Augusta, Maine**

Founded 20 years ago, the mission of the Center is to help women find and keep employment, start small businesses and become community leaders through training and support. In the mid-1980s, the

Center launched New Ventures, an entrepreneurial training program designed for women starting small businesses. Administered and in large part housed within the University of Maine System, the Center is “nested” in a public institution of higher learning.

With the FIELD grant, the Center will attempt to explore ways the University and the Center can serve microentrepreneurs in a more intentional and coordinated manner. To that end, the Center will: strengthen its microenterprise services, particularly follow-up services; establish a research project focused on data collection and participant outcomes; establish a research advisory team involving University faculty, staff and students; and strengthen the ties between the microenterprise program and its University partners, particularly in the areas of women’s education and career development, economic equity and small business development.

#### Community Business Network (CBN) Massachusetts Association of Community Development Corps. Boston, Massachusetts

CBN is a collaboration of 10 community development corporations (CDCs) in Boston, as well as the Massachusetts Association of CDCs, which serves as CBN’s fiscal agent. CBN seeks to empower low-income and minority individuals to start and grow successful businesses, while stimulating economic growth within their communities. CBN provides entrepreneurs with management and technical assistance; access to financing; and training and links to other entrepreneurs and businesses. Although all 10 CDCs market the entrepreneurial program in their area, three CDCs provide technical assistance in all 10 neighborhoods. This creates an economy of scale.

CBN will use its grant to: work with each member CDC to develop a plan to reach more low-income entrepreneurs;

improve the management information system used for tracking client outcomes and program impacts; and develop more diverse funding sources to build long-term stability for the network.

#### Western Massachusetts Enterprise Fund, Inc. Greenfield, Massachusetts

The Fund is a 10-year-old community development loan fund and resource provider serving rural and small urban communities in a five-county area of western Massachusetts through 11 member community development corporations. Over time, the Fund has managed to maintain a consistently high level of service to microenterprises, while the CDCs provide local contact for the microenterprises in their community.

With its FIELD grant, the Fund plans to test the notion that a strong central organization can provide effective, high-quality service over a wide region when it partners with local organizations that have knowledge of the market and can provide access to people needing microenterprise services. To that end, the Fund will work with each member CDC to develop a joint market research/outreach strategy and to implement a client tracking system to improve the efficiency of microenterprise program delivery.

#### Employment and Training Agencies

##### Common themes:

- Such agencies use their employment and training client pool as potential clients for microenterprise services, increasing the scale of the microenterprise program.
- Agencies encourage microenterprise clients to use full range of services – job training, personal crisis referral supports and educational opportunities.

- Agencies maximize the “cross-service” potential.

The grantee is:

### Goodwill Industries of North Georgia Atlanta, Georgia

Goodwill launched its microenterprise support program, called BusinessNOW – the Business Neighborhood Organization for Women – in 1996. It sits in the organization alongside a variety of pre-vocational and vocational services programs geared to people who have disabilities, are transitioning off welfare or in some way need assistance.

With this FIELD grant, Goodwill plans to strengthen its microenterprise program through cross-marketing and complementary service delivery coordinated with its workforce development programs. In addition, Goodwill expects to expand outreach for microenterprise services to disabled constituencies, a group Goodwill already serves. Plans also call for leveraging other Goodwill services to help graduates of the BusinessNOW program cope with personal crises that interfere with business development.

### Community Development Financial Institutions

#### Common themes:

- Interested in establishing course-credit legitimacy for microenterprise business training courses at community colleges.
- Proposed increasing scale and sustainability by increasing loan sizes and offering a continuum of business services as businesses grow.

The grantee is:

### Northeast Entrepreneur Fund, Inc. Virginia, Minnesota

The mission of the Fund, which was formed in 1989, is to create economic opportunity through entrepreneurship. In

1997, the Fund became certified as a Community Development Financial Institution, and in 1999 it separated from Northeast Ventures to become a stand-alone microenterprise organization.

The Fund expects to shed light on the advantages and disadvantages of starting and operating a microenterprise program within a larger CDFI. Specifically, the Fund will use its FIELD grant to increase the number of clients served by three means: creating three local advisory councils; seeking to have its business planning course meet both continuing education and licensing requirement standards; and creating an interactive Web site to reach more clients with a goal of eventually offering training on-line.

### The Learning Assessment

A learning assessment is constructed for each FIELD demonstration project, in keeping with FIELD’s overarching goal to keep the microenterprise industry informed of promising ideas and practices. The assessments involve practitioner meetings, data collection and dissemination of research, all designed to ensure that findings from grant activities benefit other practitioners.

More specifically, the learning assessment will include:

- Joint meetings of program staff from the grantees to discuss and distill the lessons from the demonstration grants.
- Development of case study research that will document individual institutional models, particularly the linkages between the microenterprise program and the broader agency.
- Program performance monitoring that addresses such issues as program scale, portfolio growth and quality, program costs and sustainability and low-income targeting.

Reports focused on key findings from the demonstration will be disseminated broadly to policy makers, practitioners and

other interested parties during and after the two-year grant period.

### About FIELD

The Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination is a research and development organization dedicated to the expansion and sustainability of microenterprise development efforts, particularly those aimed at poor Americans. Its mission is to identify, develop and disseminate best practices, and to broadly educate policy makers, funders and others about microenterprise as an antipoverty intervention.

Established to make a significant, strategic contribution to building the capacity of the microenterprise industry, FIELD has made 33 grants to practitioner organizations pioneering promising approaches to key challenges facing the field today. Those grants are part of five ongoing demonstration projects, centered on the following research topics: Institutional Models for

Microenterprise Development Programs (described here), Follow-up Services, Achieving Scale, Business Financing Products for the Poor and Assessing the Effectiveness of Training and Technical Assistance.

FIELD also is managing and evaluating two additional demonstration projects, both of which are funded by the Charles Stewart Mott Foundation. Those demonstrations focus on: how microenterprise programs can serve women moving from welfare to self-employment, and techniques that can help low-income entrepreneurs better market their goods and services.

Additional information about all of these demonstration projects is available by visiting FIELD's Web site: [www.fieldus.org](http://www.fieldus.org). In addition, past editions of the *FIELD forum* have been devoted to most of these topics. They can be downloaded from the Web site or obtained by contacting FIELD using phone, fax or email.