



# CHILD CARE MICROENTERPRISE TOOLKIT

## RESOURCES FOR PROGRAMS

### TIP SHEET 1:

### *MICROENTERPRISE DEVELOPMENT, MICRO-LOANS, AND INDIVIDUAL DEVELOPMENT ACCOUNTS*

## Table of Contents

### [Introduction](#)

### [Microenterprise Development](#)

What is a Microenterprise?

Microenterprise Development Programs

Federal Grant and Technical Assistance Programs

### [Micro-Loans](#)

What is a Micro-Loan?

Micro-Loan Programs

Federal Grant and Technical Assistance Programs

Non-Federal Micro-Loan Programs

### [Individual Development Accounts](#)

What is an Individual Development Account?

Individual Development Account Programs

Federal Grant and Technical Assistance Programs

### [Publications](#)

### [Additional Resources](#)

## [Introduction](#)

This tip sheet highlights three resources for helping child care providers/business owners and other clients: individual development accounts (IDAs), microenterprise training and technical assistance, and micro-loans. These resources can enable low-income people to gain business and financial literacy skills, save money, access funding opportunities, improve their businesses, and increase their overall self-sufficiency.

This tip sheet is geared toward programs interested in helping individuals access these three tools, such as through the following types of activities:

1. Referral of child care providers and other clients to local organizations that provide access to any of these three tools
2. Collaboration with local organizations to serve both clients, i.e., one organization provides child care training and related services, while another offers access to IDAs, microenterprise training, and/or micro-loans
3. Establishment of an in-house IDA, microenterprise, or micro-loan program



# CHILD CARE MICROENTERPRISE TOOLKIT

## Microenterprise Development

### ***What is a Microenterprise?***

A microenterprise is a business with five or fewer employees that is small enough to require initial capital of \$35,000 or less. Most microenterprises are sole proprietorships, which create employment for the owner and, often, other family members. Some grow into larger businesses as well, employing other members of the community. Microenterprises can be any type of business, including child care, repair services, cleaning services, specialty foods, jewelry, arts and crafts, gifts, clothing and textiles, computer technology, and environmental products and services.<sup>1</sup>

### ***Microenterprise Development Programs***

Microenterprise programs are operated by a wide variety of nonprofit organizations, ranging from stand-alone microenterprise organizations, whose primary purpose is to provide microenterprise development services, to multi-service organizations, which may focus on broader employment, economic development, and anti-poverty strategies. Such organizations include community development corporations, loan funds, community action agencies, women's business centers, community development financial institutions, small business development centers, community development credit unions, and social service organizations, among others.<sup>2</sup>

Microenterprise development programs provide business development services to people who are interested in starting or expanding a microenterprise but who have difficulty accessing capital or obtaining the management assistance they need. Most microenterprise development programs provide core services, including business training and technical assistance and credit or access to credit. Other services may include specialized business management assistance, such as access to markets and technology, as well as asset development services like IDAs.

To find existing microenterprise programs for partnership opportunities in your State, tips on how to start a program, or a new organization to which you can refer your clients, visit the Aspen Institute's Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD) program Online Directory of Microenterprise Programs at [www.fieldus.org/directory](http://www.fieldus.org/directory), and the Association for Enterprise Opportunity's Member Program Directory at [www.microenterpriseworks.org/nearyou/selectstate.asp](http://www.microenterpriseworks.org/nearyou/selectstate.asp). To find your State's microenterprise association, visit [www.microenterpriseworks.org/stateassoc](http://www.microenterpriseworks.org/stateassoc).

### ***Federal Grant and Technical Assistance Programs***

- ★ The **Job Opportunities for Low-income Individuals (JOLI)** program is administered by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services. The JOLI program is a job creation program, which awards funds to organizations that create new full-time employment for Temporary

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<sup>1</sup> Association for Enterprise Opportunity. (2000). Program design for microenterprise development, Fact sheet #2. *Microenterprise Fact Sheet Series*. Retrieved February 14, 2006, from [www.microenterpriseworks.org/about/factsheets/factsheet2.pdf](http://www.microenterpriseworks.org/about/factsheets/factsheet2.pdf)

<sup>2</sup> Ibid.



## CHILD CARE MICROENTERPRISE TOOLKIT

Assistance for Needy Families (TANF) and certain low-income individuals. Program funds are awarded in four project design priority areas: 1) expansion of existing businesses through technical and financial assistance; 2) self-employment/microenterprise; 3) new business ventures; and 4) non-traditional employment initiatives that lead to economic self-sufficiency for eligible participants. For more information, visit the Administration for Children and Families' Job Opportunities for Low-income Individuals page at [www.acf.hhs.gov/programs/ocs/dcdp/joli](http://www.acf.hhs.gov/programs/ocs/dcdp/joli).

**Who may apply:** Organizations eligible to apply for funding are nonprofit organizations, including faith-based and community development corporations and charitable organizations, that are tax-exempt under Section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code. All projects funded under the JOLI program must enter into a cooperative relationship with the local State agency responsible for administering the TANF Program funded under Part A of Title IV of the Social Security Act.

- \* The **Microenterprise Development Program** is administered by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement (ORR). The Office of Refugee Resettlement's mission is to assist refugees and other special populations, as outlined in the office regulations, in obtaining economic and social self-sufficiency in their new homes in the United States. The Office of Refugee Resettlement's microenterprise development program grantees assist refugees in starting or expanding very small businesses. The programs may include components of training and technical assistance in business skills, credit, and revolving loan funds, and business management seminars. For more information, visit the Administration for Children and Families' Office of Refugee Resettlement page at [www.acf.hhs.gov/programs/orr/programs/microenterprise.htm](http://www.acf.hhs.gov/programs/orr/programs/microenterprise.htm).

**Who may apply:** Only public and private nonprofit organizations are eligible to apply, including State governments, county governments, city or township governments, State-controlled institutions of higher education, nonprofit organizations having a 501(c)(3) status with the Internal Revenue Service (IRS) (other than institutions of higher education), nonprofit organizations that do not have a 501(c)(3) status with the IRS (other than institutions of higher education), and private institutions of higher education.

- \* **Program for Investment in Microentrepreneurs**, administered by the U.S. Small Business Administration, provides grants to microenterprise development organizations to offer training and technical assistance to low-income entrepreneurs. It provides funds to allow microenterprise organizations to build program capacity to serve low-income clients more effectively. For more information, visit [www.sba.gov/financing/sbapartner/prime.html](http://www.sba.gov/financing/sbapartner/prime.html).
- \* The **Rural Business Enterprise Grants (RBEG)** program is administered by the U.S. Department of Agriculture, Rural Development, Business and Cooperative Programs. Funds are used for the financing or development of small and emerging businesses. Eligible uses are providing technical assistance to small and emerging businesses (i.e., providing assistance for marketing studies, feasibility studies, business plans, training, etc.); purchasing machinery and equipment to lease to small and emerging businesses; creating a revolving loan fund (i.e., providing partial funding as a loan to small and emerging businesses for the purchase of equipment, working capital, or real estate); or constructing a building for a business incubator for small and emerging businesses. For more information



## CHILD CARE MICROENTERPRISE TOOLKIT

on the RBEG program and other loan or grant programs, visit the Rural Development, Business and Cooperative Programs, Loan and Grant Programs page at [www.rurdev.usda.gov/rbs/busp/bprogs.htm](http://www.rurdev.usda.gov/rbs/busp/bprogs.htm).

**Who may apply:** Eligibility is limited to public bodies, private nonprofit corporations, and Federally recognized Indian Tribal groups. Public bodies include incorporated towns and villages, boroughs, townships, counties, States, authorities, districts, Indian Tribes on Federal and State reservations, and other Federally recognized Indian Tribal groups in rural areas. The small and emerging businesses that are assisted must have less than 50 new employees and less than \$1 million in gross annual revenues.

- \* The **Urban and Rural Community Economic Development (CED)** program is administered by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services. The CED program provides operational project grants to community development corporations to create projects that develop employment and business development opportunities for low-income people and revitalize distressed communities through business or commercial development. Projects may include business start-up, business expansions, development of new products and services, and other newly undertaken physical and commercial activities. Projects must result in creation of new jobs. For more information, visit the Administration for Children and Families' Urban and Rural Community Economic Development page at [www.acf.hhs.gov/programs/ocs/dcdp/ced](http://www.acf.hhs.gov/programs/ocs/dcdp/ced).

**Who may apply:** Applicants must be a private, nonprofit community development corporation experienced in developing and managing economic development projects. For purposes of this grant program, the corporation must be governed by a board of directors consisting of residents of the community and business and civic leaders. The corporation must have as a principal purpose planning, developing, or managing low-income housing or community development activities.

### Micro-Loans

#### **What is a Micro-Loan?**

A micro-loan is a loan of less than \$25,000 made to entrepreneurs who typically cannot access traditional forms of commercial financing for their businesses. Loan features, including collateral requirements, size, and term, are tailored to the needs of low-income, higher-risk entrepreneurs and are different from standard bank loans.<sup>3</sup>

#### **Micro-Loan Programs**

Micro-loans are another type of assistance that microenterprise development programs use to help their clients. Loans often are paired with related business training and technical assistance.<sup>4</sup>

<sup>3</sup> Association for Enterprise Opportunity. (2000). Business capital for microentrepreneurs: Providing microloans, Fact sheet #3. *Microenterprise Fact Sheet Series*. Retrieved February 14, 2006, from [www.microenterpriseworks.org/about/factsheets/factsheet3.pdf](http://www.microenterpriseworks.org/about/factsheets/factsheet3.pdf)

<sup>4</sup> Ibid.



# CHILD CARE MICROENTERPRISE TOOLKIT

## *Federal Grant and Technical Assistance Programs*

- ★ The **Community Development Financial Institutions Fund (CDFI Fund)**, a program within the U.S. Department of the Treasury, awards money to community-based organizations that work in low-income urban and rural communities across the United States. These organizations, known as CDFIs, all have a common mission of working toward revitalizing communities underserved by mainstream financial institutions and improving the quality of life for those who live and work in these communities. CDFIs provide financing to residents who want to buy their first home; individuals who want to start their own business; and owners of existing businesses who would like to expand their business, which helps create new jobs. In addition, many CDFIs work with individuals to help improve their credit rating or create a monthly budget. For more information, visit [www.cdfifund.gov/programs/programs.asp?programID=7](http://www.cdfifund.gov/programs/programs.asp?programID=7). To find existing CDFI Fund awardees in your State, visit [www.cdfifund.gov/loan.asp](http://www.cdfifund.gov/loan.asp).
  
- ★ The **U.S. Small Business Administration (SBA)** operates loan programs that predominately operate through lender intermediaries around the country. For more information about SBA's loan programs, visit [www.sba.gov/financing/sbaloan/snapshot.html](http://www.sba.gov/financing/sbaloan/snapshot.html). To learn how to apply to become an SBA loan intermediary, visit [www.sba.gov/financing/sbapartner/microloan.html](http://www.sba.gov/financing/sbapartner/microloan.html). The following list includes key SBA micro-loan programs:
  - ✦ The SBA is initiating a one-year **Gulf Opportunity Pilot Loan Program** to expedite small business financing to those communities severely impacted by Hurricanes Katrina and Rita. The SBA will provide its full guaranty and streamlined and centralized loan processing to qualified lending partners who agree to make expedited SBA 7(a) loans available to small businesses located in disaster areas. For more information, visit [www.sba.gov/financing/goloans](http://www.sba.gov/financing/goloans).
  
  - ✦ The **Microloan Program** provides short-term loans of up to \$35,000 to small businesses and nonprofit child care centers for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery, and/or equipment. Proceeds cannot be used to pay existing debts or to purchase real estate. The SBA makes or guarantees a loan to an intermediary, who in turn, makes the microloan to applicants—small businesses and nonprofit child care centers needing small-scale financing and technical assistance for start-up or expansion. These organizations also provide management and technical assistance. The loans are not guaranteed by SBA. The microloan program is available in selected locations in most States. For more information, visit [www.sba.gov/financing/sbaloan/microloans.html](http://www.sba.gov/financing/sbaloan/microloans.html).
  
  - ✦ The **Minority and Women's Prequalification Pilot Loan Programs** use intermediaries to assist prospective minority and women borrowers in developing viable loan application packages and securing loans. For more information, visit [www.sba.gov/business\\_finances/prequal/preqgen.html](http://www.sba.gov/business_finances/prequal/preqgen.html).

## *Non-Federal Micro-Loan Programs*

- ★ **Count Me In**, an online micro-lender, uses a unique credit scoring system to make loans of \$500 to \$10,000 available to women across the United States for their first business loan. A woman's first loan from Count Me In must be \$5,000 or less. Each time a loan is repaid in full, she is eligible to borrow again from Count Me In. The interest rates on a Count Me In loan range



## CHILD CARE MICROENTERPRISE TOOLKIT

from 8 percent to 15 percent. The rate is adjusted to reflect credit history, the risk of the business, and prior experience. Loans can be used for working capital, purchase of inventory or equipment, marketing materials for a sales event, or other uses that help businesses generate cash. For more information, visit [www.count-me-in.org/loanapps](http://www.count-me-in.org/loanapps).

- \* **National Community Capital Association (NCCA)** is a national membership organization of CDFIs, including community development credit unions, community development venture capital funds, microenterprise lenders, and community development loan funds. In partnership with Providian Financial, NCCA operates the **National Partnership for Child Care Finance**, a child care financing program. The program offers financing packages combining debt with equity grants. These packages increase the capital available for financing child care providers. CDFIs use the equity grants either as capital in their child care loan funds to help reduce the overall cost of capital and increase the risk tolerance of the funds or as pass-through grant funds to child care providers. NCCA also disburses funds in the form of child care program development grants, which support CDFI programs for financing and supporting child care providers. Grant uses include researching and designing a new child care finance program, conducting a market study, creating a database of local child care providers, developing a training program or materials for child care providers, and training for CDFI staff in child care. For more information, visit [www.communitycapital.org/financing/child\\_care.html](http://www.communitycapital.org/financing/child_care.html).
- \* **Trickle Up** is a nonprofit organization that supports small businesses, including home-based child care centers, by providing seed capital in the form of a \$700 conditional grant, as well as basic business training through one of its partners. Trickle Up entrepreneurs are selected based on the viability of their business plan and their dedication to success. Participation in training is a very important part of preparing a business plan and qualifying the grant. Entrepreneurs whose business plans are approved receive \$500 to invest in their microenterprise and, after three months of business activity, another \$200 to continue building their business. For more information, visit [www.trickleup.org](http://www.trickleup.org), call toll-free at 866-246-9980, or e-mail [usa@trickleup.org](mailto:usa@trickleup.org).

### Individual Development Accounts

#### ***What is an Individual Development Account?***

An IDA is a special matched savings account that enables low-income people to establish a pattern of regular savings, save their earned income, purchase a productive asset, and enter the financial mainstream. IDAs can be valuable tools for starting or enhancing a microenterprise, purchasing a home, or pursuing post-secondary education or training. To learn the answers to basic questions about IDAs, see the Corporation for Enterprise Development (CFED) fact sheet in English at [www.cfed.org/imageManager/IDAnetwork/IDAs.doc](http://www.cfed.org/imageManager/IDAnetwork/IDAs.doc) or in Spanish at [www.cfed.org/imageManager/IDAnetwork/IDAs\\_Spanish.doc](http://www.cfed.org/imageManager/IDAnetwork/IDAs_Spanish.doc).

#### ***Individual Development Account Programs***

IDAs are offered through nonprofit organizations or government entities in collaboration with financial institutions and other partners. To help clients with their IDA savings, IDA programs provide training and supportive services related to family finances and financial management. Services typically include financial education on issues such as owning and managing a bank account or a credit card; credit counseling and credit repair; guidance in accessing refundable tax credits, including the Federal and State Earned Income Tax Credit, child tax credit, and



## CHILD CARE MICROENTERPRISE TOOLKIT

others; and specialized training about owning a home, starting a business, or attending post-secondary school.

To find existing microenterprise programs for partnership opportunities in your State, tips on how to start a program, or a new organization to which you can refer your clients, go to the Federal Assets for Independence Project Locator at [www.acf.hhs.gov/assetbuilding/states.html](http://www.acf.hhs.gov/assetbuilding/states.html) and CFED's IDA Program Directory at [www.cfed.org/focus.m?parentid=31&siteid=374&id=599](http://www.cfed.org/focus.m?parentid=31&siteid=374&id=599).

### ***Federal Grant and Technical Assistance Programs***

- ★ The **Assets for Independence (AFI) Program** is administered by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services. AFI provides five-year grants to organizations and agencies to assist low-income people in becoming economically self-sufficient by teaching them about economic and consumer issues and enabling them to establish matched savings accounts, also known as IDAs. IDAs enable low-income individuals to accumulate savings for long-term assets, such as small businesses, houses, or post-secondary educations or trainings. Grantees may choose to focus on any or all of these three assets and may focus on any eligible target populations, including low-income child care providers.

The maximum grant size is \$1,000,000 for five-years; the average AFI project grant is approximately \$350,000 for the five-year grant period. Applicants must secure non-Federal funds in an amount equal to or greater than their AFI project grant. AFI project grants are awarded annually. For more information on the AFI program and how to apply, visit the Administration for Children and Families' Assets for Independence page at [www.acf.hhs.gov/assetbuilding/index.html](http://www.acf.hhs.gov/assetbuilding/index.html). The *AFI Project Builder: A Guide to Planning an Assets for Independence Project* is available at [www.acf.hhs.gov/assetbuilding/guide05/AFIguidebook2005.pdf](http://www.acf.hhs.gov/assetbuilding/guide05/AFIguidebook2005.pdf).

***Who may apply:*** Applicants may be one of several categories of organizations and agencies: nonprofit organizations, including faith-based and community organizations; State, local, or Tribal government agencies applying jointly with a nonprofit organization; community development financial institutions that partner with a community-based, anti-poverty group; low-income credit unions that partner with a community-based, anti-poverty group; and a consortia of organizations and agencies that target multiple service areas. It is important to note that AFI does not provide grants directly to individuals and their families. Those interested in opening an IDA can visit the AFI Project Locator at [www.acf.hhs.gov/assetbuilding/states.html](http://www.acf.hhs.gov/assetbuilding/states.html) to find existing projects in nearby communities. Contact projects directly to learn about enrollment processes.

- ★ The **Expanding Native Opportunity: Native IDA Initiative**, administered by the CDFI Fund within the U.S. Department of the Treasury and its contract partners—CFED, Oweesta, and First Nations Development Institute—is a comprehensive training and technical assistance program to help Tribes or Native groups. The Native IDA Initiative offers three-day, state-of-the-art training institutes to help Native CDFIs, Tribes, or Native groups start-up, implement, and sustain IDAs in their communities. Participants in the institute also will have access to free, customized follow-up technical assistance to help implement IDAs.



## CHILD CARE MICROENTERPRISE TOOLKIT

For more information, visit [www.cfed.org/focus.m?parentid=31&siteid=374&id=688](http://www.cfed.org/focus.m?parentid=31&siteid=374&id=688). For further information about the Native IDA Initiative and training institute, contact Jennifer Malkin, CFED, at 415-495-2333, ext. 103. For general questions about the CDFI Fund's Expanding Native Opportunity Initiatives, visit [www.cdfifund.gov](http://www.cdfifund.gov) or e-mail Alice Veenstra at [veenstraa@cdfi.treas.gov](mailto:veenstraa@cdfi.treas.gov). For general questions regarding the CDFI Fund's Native Initiatives, contact the CDFI Fund at [cdfihelp@cdfi.treas.gov](mailto:cdfihelp@cdfi.treas.gov) or visit [www.cdfifund.gov/programs/programs.asp?programID=3](http://www.cdfifund.gov/programs/programs.asp?programID=3).

**Who may apply:** The training program is open to all Native populations and communities in the United States, including Native Americans, Native Hawaiians, Native Alaskans, and Native Pacific Islanders.

- \* The **Individual Development Account Program** is administered by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement. The IDA program provides matched savings accounts and financial literacy training to assist low-income refugee individuals and families with asset accumulation in order to promote refugee economic independence. IDAs are leveraged, or matched, savings accounts. IDAs are established in insured accounts in qualified financial institutions, and the funds are intended for specific savings goals. Allowable savings goals are homeownership or renovation; microenterprise capitalization; post-secondary education, vocational training, and recertification; and purchase of an automobile and purchase of a computer. For more information, visit the Administration for Children and Families' Office of Refugee Resettlement page at [www.acf.hhs.gov/programs/orr/programs/individual.htm](http://www.acf.hhs.gov/programs/orr/programs/individual.htm).

**Who may apply:** Only public and private nonprofit organizations are eligible to apply, including State governments, county governments, city or township governments, State-controlled institutions of higher education, nonprofits having a 501(c)(3) status with the IRS (other than institutions of higher education), nonprofits organizations that do not have a 501(c)(3) status with the IRS (other than institutions of higher education), and private institutions of higher education.

### Publications

- \* **“Child Care Microenterprise – A Learning Opportunity for Federal Child Care Staff and Partners”** (January 11, 2006) [transcript](#) and [presentation slides](#), prepared by Rachel Banov for a national assistance conference call sponsored by the Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, provide an overview of the Child Care Bureau's Child Care Microenterprise project. The information describes three tools—IDAs, microenterprise training and technical assistance, and micro-loans—that can be used to help child care providers and other clients as well as the project's resources. These materials are available on the Web at <http://nccic.acf.hhs.gov/poptopics/index.html#microenterprise>.
- \* **“Child Care Microenterprise – Resources for Child Care Providers/Business Owners”** (March 1, 2006), prepared by Rachel Banov for the Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, includes three tip sheets about local and online microenterprise and asset building opportunities. These resources are intended for direct usage by child care providers and aspiring or existing business owners or



## CHILD CARE MICROENTERPRISE TOOLKIT

for organizations to share with their clients. These materials are available on the Web at <http://nccic.acf.hhs.gov/poptopics/index.html#microenterprise>.

- ★ **“Family Child Care as a Neighborhood Economic Development Strategy”** (December 1997), prepared by Amy Gillman, Local Initiatives Support Corporation, for the National Conference on Community Development and Family Child Care, held in San Jose, California, highlighted successful approaches that community development organizations have taken to incorporate family child care into their community, economic development agendas, and some of the tools they have developed to break down the barriers faced by providers in poor communities. Family-based providers confront many of the challenges of other small businesses, but because of the specialized nature of their operations, they require multiple business resources to help them start-up, market, and manage their operations. This resource is available on pages 13 to 27 at [www.lisc.org/content/publications/detail/869](http://www.lisc.org/content/publications/detail/869).
- ★ **“Financing Products”** (1999), a *FIELD Forum* Issue #2, by FIELD, a program of the Aspen Institute, identifies and discusses financing tools that can help low-income entrepreneurs obtain the capital they need to start or expand their businesses. This resource is available at [www.fieldus.org/publications/Field\\_Forum2.pdf](http://www.fieldus.org/publications/Field_Forum2.pdf).
- ★ ***Home Based Child Care: Assessing the Self-Sufficiency Potential (With special reference to refugees)*** (June 1999), by the Institute for Social and Economic Development, includes information that can be used to assess the feasibility of home-based child care as a business that will provide a sufficient level of income. The report discusses factors that reduce or enhance the economic feasibility of a home-based child care business and describes potential sources of financing. The report also provides examples from four States of the maximum potential annual income and likely annual income for a home-based child care business that serves families receiving publicly funded child care subsidies. For more information, visit [www.ised.org/research&evaluation/documents/Homebased%20Child%20Care.pdf](http://www.ised.org/research&evaluation/documents/Homebased%20Child%20Care.pdf).
- ★ The **Microenterprise Employment Statistics database**, created by the Association for Enterprise Opportunity, provides a county-by-county breakdown of three indicators vital to understanding the extent to which microenterprise plays a part in our nation’s economy: total number of microenterprises, total microenterprise employment, and microenterprise as a percentage of total employment. Visit [www.microenterpriseworks.org/services/policy/mees/index.htm](http://www.microenterpriseworks.org/services/policy/mees/index.htm).
- ★ ***Microenterprise IDA Tip Sheet***, by the Institute for Social and Economic Development, outlines process recommendations for programs working with IDA participants whose asset goal is microenterprise. The tip sheets includes suggestions regarding program design, recruitment and marketing, enrollment, saving for microenterprise, financial literacy training, credit checks, microenterprise training, business plans, business micro-loans and bank loans, purchase documentation to receive matching funds for closing, and follow-up. This resource is available at [www.ised.org/research&evaluation/documents/ISEDMicroenterpriseTipSheet.pdf](http://www.ised.org/research&evaluation/documents/ISEDMicroenterpriseTipSheet.pdf).
- ★ ***Microenterprise – Why it Matters to Health and Human Service Organizations***, by the Association for Enterprise Opportunity, explains why microenterprise should be considered a viable option for the individuals served by health and human service organizations and the role organizations can play in microenterprise development. This resource is available at [www.microenterpriseworks.org/about/factsheets/NationalAssembly-MicroAEOfinal2.pdf](http://www.microenterpriseworks.org/about/factsheets/NationalAssembly-MicroAEOfinal2.pdf).



## CHILD CARE MICROENTERPRISE TOOLKIT

- \* ***Opening Opportunities, Building Ownership: Fulfilling the Promise of Microenterprise in the United States*** (2005), by FIELD, a program of the Aspen Institute, presents a synthesis of the microenterprise field, including the context and scope of microenterprise in the United States; a description of factors driving low-income people toward self-employment; the evolution of the industry, industry performance, and the value of microenterprise to low-income entrepreneurs; and new directions to help transform the field and position it for long-term growth and sustainability. This resource is available at [www.fieldus.org/publications/FulfillingthePromise.pdf](http://www.fieldus.org/publications/FulfillingthePromise.pdf).
- \* ***“Savings and Credit for Microentrepreneurs”*** (2003), an *Effective State Policy and Practice Bulletin* by CFED, explores the integration of IDAs and microenterprise development products and services to enhance asset accumulation among low-income entrepreneurs. It provides State Microenterprise Associations, microenterprise practitioners, and others with a more integrated method of providing these services. It includes an overview of the asset-based approach to poverty alleviation, the rationale for integration from the perspectives of practitioners and clients, effective integration practices, and preliminary observations about the potential benefits of an integrated approach. This resource is available at [www.cfed.org/imageManager/documents/focus/SMA/2003vol4no1SMA.pdf](http://www.cfed.org/imageManager/documents/focus/SMA/2003vol4no1SMA.pdf).
- \* ***“Savings and Credit for U.S. Microenterprises”*** (2003), in the *Journal of Microfinance* Vol. 4, No. 2, by Caroline E. W. Glackin and Eliza G. Mahony, provides a framework for the integration of two asset-building instruments, IDAs and loans for microenterprise. The paper provides an overview of the asset-based approach to poverty alleviation and the evolution of IDAs and microenterprise development; evaluates the potential role of IDAs in reducing risk using conventional lending criteria; summarizes the findings of initial research on integrated programs and highlights four case studies; and provides observations regarding potential benefits and challenges of the integrated approach. This paper is available at [www.assetbuilding.org/AssetBuilding/Download\\_Docs/Doc\\_File\\_728\\_1.PDF](http://www.assetbuilding.org/AssetBuilding/Download_Docs/Doc_File_728_1.PDF).
- \* ***“Small Business and Microenterprise as an Opportunity and Asset-Building Strategy”*** (2005), an *Opportunity and Ownership Project Brief*, by the Urban Institute, explains the difficulties of small business and microenterprise, examines strategies and programs used to promote them, and offers recommendations for priority research and policy. This resource is available at [www.urban.org/UploadedPDF/311188\\_small\\_business.pdf](http://www.urban.org/UploadedPDF/311188_small_business.pdf).
- \* ***Strengthening Family Child Care In Low-Income Communities*** (2001), a report to the Surdna Foundation, provides a framework for understanding family child care as the prevalent form of care in low-income communities and its essential role in community economic development. This report describes how community-based nonprofit organizations are key to the emergence of an infrastructure of support for family-based care through networks and systems. The family child care systems and networks serve to support, organize, and increase the supply and quality of family child care providers. The most successful strategies implemented through community-based institutions offer a combination of services and supports in both business and child development to address the multi-layered needs of providers. This resource is available at [www.surdna.org/documents/child\\_care.pdf](http://www.surdna.org/documents/child_care.pdf).



## CHILD CARE MICROENTERPRISE TOOLKIT

- \* **Support for Microenterprise as Asset-Building: Concepts, Good Practices, and Measurement** (2004), by the Center for Social Development, proposes that building assets—human, financial, or social—plays a fundamental role in the development of microenterprise. This view expands beyond a focus on training and loans to include savings services and networks of social capital, which is useful because most new ventures depend more on savings than on loans and because social networks are key business assets that people of modest means often lack. The outputs of microenterprise-support programs and the intermediate and final outcomes of self-employment can also be seen and measured in terms of asset building. This resource is available at [www.microfinance.com/English/Papers/Microenterprise as Asset Building.pdf](http://www.microfinance.com/English/Papers/Microenterprise_as_Asset_Building.pdf).

### Additional Resources

- \* The **AmeriCorps\*VISTA Program**, sponsored by the U.S. Corporation for National and Community Service, can help an organization fulfill its staffing needs. VISTA members spend one year in full-time service to address the needs of low-income communities. All projects focus on building permanent infrastructure in organizations to help them more effectively bring individuals and communities out of poverty. Public, private, or faith-based nonprofit organizations, as well as local, State, or Federal agencies are eligible to apply for a VISTA membership. Organizations contribute the living allowance (approximately \$9,500) for each VISTA member, while the program covers the cost of a series of benefits and services for the VISTA members and the organization. For more information, including contact information for the Corporation State Office and application details, visit [www.americorps.gov/for\\_organizations/apply/vista.asp](http://www.americorps.gov/for_organizations/apply/vista.asp). To review the 2005 Program Guidance, visit [www.americorps.gov/for\\_organizations/apply/vista.asp](http://www.americorps.gov/for_organizations/apply/vista.asp). Information about the **Entrepreneur Corps** program is found in “Asset Development” on page 5. For information on becoming a cost-sharing project, call 202-606-5000, ext. 338, or e-mail [vista@americorps.org](mailto:vista@americorps.org).
- \* **Assetbuilding.org**, a project of the New America Foundation, is a clearinghouse that shares ideas, policies, and programs to broaden asset ownership in the United States. For more information, visit [www.assetbuilding.org/AssetBuilding](http://www.assetbuilding.org/AssetBuilding).
- \* **Association for Enterprise Opportunity (AEO)** is a national association of organizations that supports the development of strong and effective U.S. microenterprise programs to assist underserved entrepreneurs in starting, stabilizing, and expanding businesses. AEO’s services and operational activities include training, technical assistance, and consulting services to microenterprise programs, as well as to their boards, stakeholders, potential collaborators, and funders. Activities also include research to gather and disseminate information on the microenterprise development field; a communications program that works to ensure relevant, industry-related information is disseminated to its members, partners, policy-makers, and the media; program directories of microenterprise organizations and State associations; sponsorship of conferences; and extensive online resources. For more information, visit [www.microenterpriseworks.org](http://www.microenterpriseworks.org).
- \* **CFED** is a nonprofit organization that does extensive work in the areas of IDAs and microenterprise through demonstration projects, research, conferences, and publications. Visit [www.cfed.org](http://www.cfed.org).



## CHILD CARE MICROENTERPRISE TOOLKIT

CFED resources include the *Assets* newsletter, which highlights developments in the IDA field, and the *Effective State Policy and Practice Bulletins*, which consider current issues in microenterprise and offer concrete tips to increase effectiveness, and numerous other publications. CFED also sponsors the IDAnetwork Listserv, an e-mail gateway to the people, organizations, and ideas that are collectively shaping the IDA field. To register, visit [www.cfed.org/act.m?parentid=18&id=121&listserv=228](http://www.cfed.org/act.m?parentid=18&id=121&listserv=228).

- \* The **Center for Social Development** at Washington University in St. Louis, is the leading academic center of theory and research on asset building. Among other functions, the center publishes a working paper series and research reports and works in State policy research and innovation in asset building. For more information, visit [www.gwbweb.wustl.edu/csd/asset/index.htm](http://www.gwbweb.wustl.edu/csd/asset/index.htm).
- \* **Economic Successes Clearinghouse** (formerly the Welfare Information Network), a project of The Finance Project, devotes a section of its Web site to microenterprise and IDA resources at [www.financeproject.org/irc/win/assetdev.asp](http://www.financeproject.org/irc/win/assetdev.asp).
- \* The **Linking Economic Development and Child Care Research Project** at Cornell University aims to identify the economic linkages of child care from a regional economy perspective. The project supports States and localities interested in using an economic development framework to build coalitions with the economic development community, business interests, and policy-makers to help craft new approaches to child care finance. The Web site provides a quantitative database of economic demographic and policy data for all 50 States and a qualitative database of all State and local studies (completed and in-progress). The site also includes research reports, copies of State studies, advice on economic analysis, and profiles of new approaches to child care policy. For more information, visit [http://government.cce.cornell.edu/doc/viewpage\\_e.asp?ID=Child\\_Care](http://government.cce.cornell.edu/doc/viewpage_e.asp?ID=Child_Care).
- \* The **Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD)**, a program of the Aspen Institute, has four core functions: grant-making in key areas of importance to the microenterprise field, research into best practices, dissemination of the resulting lessons learned, and informing public policy in support of microenterprise. FIELD also has a directory of microenterprise programs and extensive publications on microenterprise and related topics. For more information, visit [www.fieldus.org](http://www.fieldus.org).
- \* The **Women and Company® Microenterprise Boost Program** is an equity award program supported by a grant from the Citigroup Foundation and Women and Company®. This program gives low- and moderate-income women microentrepreneurs across the country the opportunity to have a greater chance of business success by providing them with cash awards and high-quality business training and technical assistance. Microenterprise development programs are selected to serve as local partners for the program and each will distribute \$11,150 in equity awards to eligible female microenterprise clients. Equity awards range in size from \$500 to \$2,500. Organizations interested in applying to serve as local partners must be current Association for Enterprise Opportunity members. For more information, visit [www.microenterpriseworks.org/projects/wcmbp](http://www.microenterpriseworks.org/projects/wcmbp).

*The Child Care Bureau does not endorse any organization, publication, or resource.*