

FIRST LADY HILLARY RODHAM CLINTON
VIDEOTAPED REMARKS FOR ASSOCIATION FOR ENTERPRISE OPPORTUNITY
SIXTH ANNUAL CONFERENCE
APRIL 23, 1996

Good morning. We wish we could join you in person, but Secretary Rubin and I wanted to take this opportunity to congratulate the Association for Enterprise Opportunity and all your members on the important work you are doing to expand economic opportunity to all Americans. Your work is vital and this gathering is so important. *Although we can't*
and your

The basis for any long-term solution to poverty rests in a community's ability to help those living in poverty raise their own incomes. Low-income Americans are capable and hard-working. What they lack is not initiative, but opportunity and access to credit. As one woman working to establish her small business in Colorado said to me, "Too many great ideas die in the parking lots of banks."

The members of AEO know the importance of microenterprise. You have provided people across our country with opportunity -- the opportunity to borrow small amounts of money, to gain technical knowledge, to start small businesses, and bring some of their great ideas to life, to prove that they are credit-worthy, and most important, to improve their own lives and the lives of their families. *As M*
comes at a critical moment in the history of the country.
and demonstrate prove that all kinds of people are credit worthy & you should give them the opp.
to
to show that

In my travels throughout our country and around the world, both in more simple economies and more complex economies, I have seen first-hand the transforming effects small loans can have, especially for women and their families. At the Grameen Bank in Bangladesh, I encountered countless women who told me how they were achieving economic security. I met a woman who used a small loan to buy a milk cow. After she paid off the loan with proceeds from the milk, she took out a loan for another cow. After repaying that loan, she decided it was time for her husband to help increase the family income. She took out a third loan to buy him a rickshaw. *in had to develop + developed world.*

And I met a woman in Chile whose whole outlook on life was changed by the fact that someone took a risk and lent her money to buy a sewing machine. She said she felt like "a bird freed from its cage" when she received her first loan.

Whether it is for a milk cow in Bangladesh or for a computer in Chicago, women and men need help, and encouragement and credit to make that first investment. Here in the United States, we are working to build up a micro-enterprise network. It is still very young, but already several hundred programs, most of them represented here today, have enabled tens of thousands of Americans to access not only credit and training, but also something more fundamental: to gain self-respect and self-sufficiency. Some of the people served by these programs are on welfare, but they are creating a better future for themselves and their children. And *as well as*

they just needed a little help -- a jump start -- to realize their own potential. But too often that jump-start is hard to come by.

I became a believer in microcredit years ago, when my husband was governor of Arkansas. We combined elements of the Grameen Bank and Chicago's South Shore Bank to create a development bank and a borrowing fund that began to make the kind of investments in that state that we wanted to see ~~made~~ throughout the country.

Last year at the United Nations Fourth World Conference on Women, where I was privileged to represent our country, the United States made two commitments to further self-employment and micro-enterprise in ~~our~~ ^{the United States} country. First, the President established a new Presidential Awards program to honor outstanding and innovative programs that provide access to credit, training or technical assistance to microentrepreneurs and potential microentrepreneurs. Today, we are happy to announce the formal structure and specifics of these awards.

designed The President also directed the Treasury Department to coordinate microenterprise programs across a number of our federal agencies to ensure that those programs are doing the job they were ~~set out~~ to do. Additionally, the United States will continue to support microenterprise in developing countries through USAID.

In today's global economy, microenterprise development needs to become a key element in providing economic opportunity for women and men everywhere in the world.

I now have the pleasure of introducing Treasury Secretary Robert Rubin, who will discuss the Administration's initiatives and particularly the development of the Presidential Awards for Microenterprise Excellence program.

###

ci/ 960423.6 — WP 5,2

RER-Ass. for Enterprise Opportunity, microlending video with Mrs. Clinton -- 4/23/96 -- draft 6/

Thank you, Mrs. Clinton, and thank you for lending your thinking and support to the simple but important idea of using capital and capitalism to fight poverty and deprivation, here and around the world. You have been a champion of microenterprise development, and your involvement will help provide momentum to a program with a potential for a substantial impact on poverty both in the United States and in developing nations around the world.

One of the objectives of economic policy must be to bring the free market system to bear on the problems of poverty both here and abroad. This is in the self-interest of all Americans.

By helping poor people in the United States enter the economic mainstream, we reduce the social costs of poverty, increase national productivity, and improve social conditions for all of us. By helping poor people abroad, we create new markets for American exports and increase stability, thereby enhancing our national security. Helping the poor is clearly in the interest of the poor, but it is equally clearly in the interest of all Americans, no matter where they live or what their economic status may be.

That takes investment in education, in training, in skills. Towards these ends, the President has expanded Head Start and has helped our nation's schools better prepare our children for the 21st century. He has expanded the Earned Income Tax Credit to help families choose work over welfare and to make work pay.

And as you will be discussing here today, that requires expanding capital access, an important part of helping to reduce poverty in neighborhoods throughout the world. I saw it working in Manila at a micro-project underwritten by the Asian Development Bank. There, people in a poor neighborhood who couldn't possibly get capital in traditional channels are borrowing to start very small businesses. Moreover, the loans are profitable and the repayment rate is very high. This is micro-lending putting people to work.

We don't have a monopoly on good ideas in the United States.

This works overseas, and if adapted to our own economy, it can work in America to help people in distressed communities better their lives and join the American economic mainstream.

In fact, micro-enterprise development has begun in earnest here in the United States. I have met people involved in these programs and the results are encouraging. But we must expand the scale, and at the same time combine the availability of capital with technical assistance and training for borrowers. Again, a lesson to be learned from observing some programs abroad.

Micro-enterprise lending is just one example of President Clinton's commitment to increasing the flow of private capital to economically distressed areas. He has reduced regulations and paperwork to make the Community Reinvestment Act more effective for borrowers and less burdensome for banks, and he has successfully defended the Community Reinvestment Act against Congressional efforts to undermine it.

He has also, and very importantly, launched the Community Development Financial Institutions Fund, or CDFI, to provide seed and expansion capital to community-based banks, credit unions, community loan funds, and micro-lenders. These institutions foster economic growth and job creation in their neighborhoods. When we issued our first call for CDFIs and traditional financial institutions to apply for Fund assistance and incentives, community requests outstripped current resources by 10 to 1.

Now, as Mrs. Clinton said, the President has asked Treasury to create a Presidential Awards program for excellence in micro-enterprise development. Today, I'm please to announced that we are launching these awards, under the CDFI Fund.

The Presidential Awards will recognize outstanding and innovative programs that provide access to credit, technical assistance, and training to micro-entrepreneurs. Four categories of awards to micro-enterprise development organizations will highlight excellence in program innovation, access to credit, development of entrepreneurial skills, and poverty alleviation, and a fifth category will reward private sector, foundation, and governmental support for these micro-development organizations.

These non-monetary awards will allow micro-enterprise development organizations to compete for public recognition just as large American corporations compete for the Malcolm Baldrige Award. And in rewarding the best in the country, the awards program will disseminate information to others about best practices, helping to advance micro-enterprise development for the field as a whole. Awards will be presented this fall.

On a broader front, let me say that these initiatives, from investing in human capital to improving access to capital, are enormously in the interest of all Americans, looked at from a purely hardheaded and business-like perspective. Simply put, I think this nation will fall far short of its full economic potential for all Americans unless our cities and distressed rural areas are healthy. And our social fabric will become weaker instead of stronger, again, for all of us, unless we tackle these problems successfully.

With strong public support for CDFI, the Community Reinvestment Act, the Low Income Housing Tax Credit, and our new micro-enterprise programs, we now have a chance to make locally driven, public-private partnerships reach communities across the land. We can help rebuild neighborhoods, create jobs, and restore hope in neighborhoods long left behind.

To accomplish this, all of us must meet our respective challenges. Our challenge, the government's challenge, is to act as catalyst with investments in people, seed capital and a helping start. Your challenge, and what this sixth annual A-E-O conference is all about, is continually to improve and grow. The challenge to individuals is to take advantage of educational opportunities and commit to hard work. The challenge to communities is to organize themselves for change. And the challenge to the business sector is to see its long term self-interest in bringing everyone into the economic mainstream.

It will take all of us rising to those challenges to succeed. But I believe that is the only way the United States can reach its full potential in the years and decades to come.

Thank you. Keep up the good work. It is making a

difference all across America.



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

FAX TRANSMITTAL SHEET

DATE: 4/22/96

NUMBER OF SHEETS TO FOLLOW: 4

TO: KATIE Button

ADDRESSEE'S FAX #: 456-6244 5709

ADDRESSEE'S CONFIRMATION #: _____

FROM: Michael BARR

SENDER'S FAX #: 202-622-0073

SENDER'S CONFIRMATION #: 202-622-1700

SPECIAL INSTRUCTIONS/COMMENTS:

RER-Ass. for Enterprise Opportunity, microlending video with Mrs. Clinton -- 4/23/96
draft 5

Thank you, Mrs. Clinton, and thank you for lending your thinking and support to the simple but important idea of using capital and capitalism to fight poverty and deprivation, here and around the world. You have been a champion of microenterprise development, and your involvement will help provide momentum to a program with a potential for a substantive impact both in the United States and in developing nations around the world.

One of the objectives of economic policy must be to bring the free market system to bear on the problems of poverty in both the United States and the developing nations around the world. All of us in our country have a direct self-interest in successfully addressing the problems of the poor both here and abroad and in making sure that the benefits of economic growth are felt up and down the income scale. At home, by helping people enter the economic mainstream, we reduce the social costs of poverty and increase our national productivity. And abroad, we create new markets for Americans exports and increase political stability and thereby enhance our national security. Helping the poor is clearly in the interest of the poor, but it is equally in the interest of all Americans no matter where they live or what their economic status may be.

Expanded capital access is helping reduce poverty in neighborhoods throughout the world. I saw it working in Manila at a micro-project underwritten by the Asian Development Bank. There, people in a poor neighborhood who couldn't possibly get

-2-

capital in traditional channels are borrowing to start very small businesses. Moreover, the loans are profitable and the repayment rate is very high. This program attacks poverty through people's capitalism. This is micro-lending at work.

We don't have a monopoly on good ideas in the United States. This works overseas, and if adapted to our own economy, it can work in America to help people in distressed communities better their lives and join the American economic mainstream.

In fact, micro-enterprise development has begun in earnest here in the United States. I have met people involved in these programs and the results are encouraging. But we must gradually expand the scale, and at the same time combine the availability of capital with technical assistance and training for borrowers. Again, a lesson to be learned from observing programs abroad.

Micro-enterprise lending is just one example of President Clinton's commitment to increasing the flow of private capital to economically distressed areas. He has reduced regulations and paperwork in order to make the Community Reinvestment Act more effective for borrowers and less burdensome for banks. And he has successfully defended the Community Reinvestment Act against Congressional efforts to undermine it.

He has launched the Community Development Financial Institutions Fund, or CDFI, to provide seed and expansion capital to community-based banks, credit unions, community loan funds, and micro-lenders. These institutions will foster economic growth and job creation in their neighborhoods. When we issued our first call for CDFIs and mainstream financial institutions

around the country to apply for Fund assistance and incentives, CDFI requests outstripped current resources by 10 to 1.

Now, as Mrs. Clinton said, the President has asked Treasury to create Presidential Awards for excellence in micro-enterprise development. Today, I'm please to announced that we are launching these awards, under the CDFI Fund.

The Presidential Awards will recognize outstanding and innovative programs that provide access to credit, technical assistance, and training to micro-entrepreneurs. Five categories of awards will highlight excellence in program innovation, access to credit, development of entrepreneurial skills, and poverty alleviation, as well as public, private, and nonprofit entities that provide strong support for micro-enterprise development.

These non-monetary awards will allow micro-enterprise development organizations to compete for public recognition just as large American corporations compete for the Malcolm Baldrige Award. And in rewarding the best in the country, the awards program will disseminate information to others about best practices, helping to advance micro-enterprise development for the field as a whole. Awards will be presented this fall.

But capital alone is not enough. It takes investment in education, in training, in skills. Towards these ends, the President has expanded Head Start and has helped make our nation's schools better prepare our children for the 21st century. He has expanded the Earned Income Tax Credit to help families choose work over welfare and to make work pay.

These and other initiatives are enormously in the interest

- 4 -

of all Americans; looked at from a purely hardheaded and business-like perspective. Simply put, I think this nation will fall far short of its full economic potential for all Americans unless our cities and distressed rural areas are healthy. And our social fabric will become even more frayed, again for all of us, unless these issues are addressed successfully.

And that brings us back to micro-lending and community development, initiatives with the potential to make a real difference.

We now have a chance to make locally driven, public-private partnerships reach communities across the land. Our challenge is to act as catalyst with seed capital and a helping start. The challenge to individuals is to take advantage of educational opportunities and commit to hard work. The challenge to communities is to organize themselves for change. And the challenge to the business sector is to see its long term self-interest in bringing everyone into the economic mainstream.

It will take all of us rising to those challenges to succeed. But I believe that is the only way the United States can reach its full potential in the years and decades to come.

MEMORANDUM

TO: BRENDA
FROM: KIM
RE: VIDEOS

Association for Enterprise Opportunity

Association for Enterprise Opportunity's (AEO) sixth annual conference and membership meeting will take place May 1st - 4th at the Marroitt Hotel in Providence, Rhode Island. A record breaking 500 micro-enterprise development practitioners running the majority of the programs across the U.S. will attend the conference. Your video will be presented after opening remarks by Connie E. Evans, Chair of the AEO Board of Directors, and Christine Benuzzi, the executive director of AEO on Thursday morning May 2nd. Following your video Secretary of the Treasury Robert Ruben will present a video. After both of the videos are presented Jack Litzenberg of the Charles/Stuart/Mott Foundation and Chairman of the advisory board of the CDFI fund in Treasury Department will speak.

The theme of the 1996 conference is "Impact through Collaboration." The conference aims to show participants how to increase the positive effects AEO members have on their communities and the people they serve. The focus of the conference will be entirely training. The participants will be taught cutting edge techniques on managing micro enterprise and development organizations. Also there will be opportunities for networking and information exchange. Training workshops will include Organizational Development and Management, Entrepreneurial Training, Lending, Program Design, Policy and Evaluation. The conference will also include a membership meeting which will focus on such topics as the vision for the future of micro-enterprise development, working with the international community and the work of AEO's volunteers such as Policy and Practitioners Support.

AEO is the national trade association of more than 500 micro-enterprise development organizations serving thousands of economically disadvantaged entrepreneurs across the country. Also AEO represents the U.S. micro-enterprise agenda in the growing international community.



ASSOCIATION FOR ENTERPRISE OPPORTUNITY

**Sixth Annual
Conference and
Membership
Meeting**

MAY 1-4, 1996

PROVIDENCE, RHODE ISLAND

REGISTRATION AND SESSIONS SIGN-UP

AEO Sixth Annual Conference and
Membership Meeting
1996 Tentative Schedule
Providence, RI

Date/Time	Event
Wednesday, May 1	
10:00 a.m.-11:00 a.m.	Final Meeting of 1995/96 Board of Directors
11:30 a.m.-2:00 p.m.	Speaker Training Session and Luncheon
12:00 p.m.-4:00 p.m.	Tour of Newport Micro Sites
12:00 p.m.-7:00 p.m.	Conference Registration
2:30 p.m.-5:00 p.m.	Concurrent Sessions
6:00 p.m.-7:00 p.m.	Opening Plenary
7:00 p.m.-8:00 p.m.	Welcoming Reception
Thursday, May 2	
	<i>Breakfast on your own</i>
7:00 a.m.-11:00 a.m.	Conference Registration (cont'd)
8:30 a.m.-9:45 a.m.	Plenary Session with Keynote Speaker
10:00 a.m.-12:15 p.m.	Concurrent Sessions
12:30 p.m.-2:15 p.m.	Lunch and Committee Meetings
2:30 p.m.-5:00 p.m.	Concurrent Sessions
5:30 p.m.-6:30 p.m.	Regional Meetings
6:30 p.m.-10:00 p.m.	Clam Bake hosted by Elmwood Neighborhood Housing Services
Friday, May 3	
	<i>Breakfast on your own</i>
8:00 a.m.-8:45 a.m.	Roundtable Discussions
9:00 a.m.-11:30 a.m.	Concurrent Sessions
11:45 a.m.-2:15 p.m.	Candidates Forum and Luncheon
2:30 p.m.-5:00 p.m.	Concurrent Sessions
2:30 p.m.-8:00 p.m.	AEO Board of Directors Voting Period
6:00 p.m.-8:00 p.m.	Microbusiness Fair and Reception
8:00 p.m.-10:00 p.m.	Program Video Viewing
Saturday, May 4	
8:30 a.m.-10:30 a.m.	Annual Business Meeting and Breakfast <ul style="list-style-type: none"> ·Results of Election ·Discussion of Key Issues and Comments from the Floor ·Reports from Committees
10:45 a.m.-12:45 p.m.	Concurrent Sessions
1:30 p.m.-2:30 p.m.	First Meeting of 1996/97 Board of Directors
1:30 p.m.-4:30 p.m.	Tour of Providence Micro Sites

January, 1996



Dear AEO Members and Friends:

It is with great enthusiasm that we invite you to attend AEO's Sixth Annual Conference and Membership Meeting, May 1-4, 1996 in Providence, Rhode Island. The Planning and Host Committees have been busy developing the most intensive curriculum ever, working to confirm speakers and sponsors, and arranging several fun-filled events!

The 1996 theme is "Impact through Collaboration" and how to increase the positive effects AEO members have on their communities and the people they serve. To accommodate the ever-increasing growth and to incorporate your feedback from last year's conference as well as members' concerns, the training agenda has been expanded considerably. This year you'll see additional and expanded offerings in the following tracks: Organizational Development and Management, Entrepreneurial Training, Lending, Program Design, Policy, and Evaluation. We also placed emphasis on creating a wider mix of general, beginner, intermediate, and advanced sessions so that quality training is assured at all experience levels.

This conference also marks the debut of AEO's Microenterprise Training Institute, a three-session training especially for beginners. It will start Wednesday, May 1, and conclude Friday morning so that participants can also attend other sessions on Friday and Saturday.

Another important innovation is the expansion of the traditional Marketplace into a new and improved Microbusiness Fair. AEO members in the northeast region are working hard to bring their program participants to the fair in order to showcase as many goods and services as possible. We strongly encourage you to participate by arranging for a table and displaying a sampling of your participants' wares!

We will also bring provocative and exciting well-known keynote and plenary speakers, whose messages for all conference participants will foster exciting debate and discussion. And, we are planning an especially exciting Membership Meeting, where we will discuss such topics as the vision for the future of microenterprise development, working with the international community, and the work of AEO's many volunteers through committees such as Policy and Practitioner Support.

Since space is limited, please register now to secure the special sessions you need to augment your professional development. Member registrations postmarked before March 14 are eligible for the Early Member discount rate of \$350 (with each additional organizational member at \$325). After March 14 the rate increases to \$400 for all members. Non-Member registration is \$425. Hotel, travel and tour information is also enclosed, so start making plans to attend today!

Our special thanks go to Conference Planning Chair Christopher Just and Host Committee Chair Kenneth Proudfoot. Special thanks also go to the following friends of AEO and Elmwood Neighborhood Housing Services who have provided support for this conference: The Charles Stewart Mott Foundation, The Ford Foundation, The Levi Strauss Foundation, The Calvert Group, Citizens Bank, Neighborhood Reinvestment Corporation and Fleet Bank. Great thanks also go to members of the Conference Planning Committee: Phil Black, Christine Wrona Giallongo, Kathy Keeley, Joyce Klein, Michael Maroney, Mary Mathews, Paula Planthaber, Kelly Rosenleaf, Mark Sorrells, Welthy Soni, and Carol Williams, without whom development of the curriculum would not have been possible.

A major objective of AEO in the coming year is to increase its membership ranks significantly. Please help by sharing copies of this registration flyer with as many of your colleagues as possible. If you'd like more copies of this flyer, please just call us at (312) 357-0177 and we'll send them to you promptly.

We look forward to seeing you in Providence!

Christine M. Benuzzi
Executive Director

Connie E. Evans
Chair, Board of Directors

1996 AEO Annual Conference Track Descriptions



Microenterprise Training Institute

TI 1 Level: Beginner
Microenterprise Training Institute I

The Institute, featuring three sessions, is designed for individuals working within programs that are considering establishing a microenterprise program. The first session, an overview of the domestic and international field, provides an introduction to microenterprise development, including history, program models, populations served, and public policy implications. In sessions two and three, four types of businesses and three types of credit analysis techniques for lending programs will be presented and discussed. Participants will also develop a mission statement, operating principles, target populations, program outcomes, program services, initial budget, and staffing descriptions. Extensive materials will be provided throughout the three sessions for use in developing a local program. (Participants are required to attend all three sessions)

TI 2 Level: Beginner
Microenterprise Training Institute II
See TI: 1 for session description. (Participants are required to attend all three sessions)

TI 3 Level: Beginner
Microenterprise Training Institute III
See TI: 1 for session description. (Participants are required to attend all three sessions)

Management and Organizational Development

MO 1 Level: General
Strategic Planning I
In this two-part session, participants will learn components and structure of a strategic planning process, techniques to build the "buy in" from customers, community leaders, board members and staff. Sample strategic planning documents will be available to illustrate strategic planning outcomes. (Participants are required to attend both sessions)

MO 2 Level: General
Strategic Planning II
See MO: 1 for session description. (Participants are required to attend both sessions)

MO 3 Level: Beginner/Intermediate
Overview of Funding Sources and Strategies
Is your organization overly dependent on a few funding sources? This session provides an overview of the array of funding sources, from foundations and corporations to government. Fundraising strategies, at both the staff and board levels, as well as how to conduct annual appeals, special events, and planned giving are also featured.

MO 4 Level: Intermediate/Advanced
Building a Diversified Funding Base
Are you looking for new ideas on sustaining your operations without spending so much time raising funds? In this session, participants will have the opportunity to interact and share successful fundraising strategies in a roundtable format. Each participant will plan for diversity by examining their organization's funding base, looking for points of concern, and identifying potential new funding sources.

MO 5 Level: Intermediate/Advanced
For Executive Directors Only: Managing Growth I
This two-part session is designed to assist executive directors to learn practical approaches to managing growth. Participants will explore the essential components needed for any organization to exist, survive and grow. In an interactive style exercises will be used to assess which of the engines for growth have driven the organization up to now and which should be the engine for future growth. (Participants are required to attend both sessions.)

MO: 6 Level: Intermediate/Advanced
For Executive Directors Only: Managing Growth II
See MO:5 for session description. (Participants are required to attend both sessions.)

MO: 7 Level: Beginner/Intermediate
Grantwriting I
This session offers a hands-on approach to proposal writing with an emphasis on foundation and public sector funding. In Session I, participants will learn the nuts and bolts of putting together proposals. In Session II, participants will discuss collaboration with other agencies, budgeting, research, and renewal processes. (Participants are required to attend both sessions)

MO: 8 Level: Beginner/Intermediate
Grantwriting II
See MO: 7 for session description. (Participants are required to attend both sessions)

MO: 9 Level: General
Creative Partnerships
In the changing landscape of economic development, partnerships have a more important role to play in building organizational capacity and creating change. This presentation covers the groundwork and risks to forming true alliances, coalitions and partnerships. Creative partnerships with the financial sector, corporations and non-profits will be highlighted.

MO 10 Level: General
Integrating Impact Throughout an Organization
This session uses a case study to examine factors which prevent organizations from achieving desired results with clients. It will allow participants to look at their own organizations and to develop better communication with staff and clients. The session covers how a systems approach can be applied at all levels of operation.

MO: 11 Level: General
Using the Internet to Support Microenterprise Programs
This session provides basic training on accessing the Internet and identifies useful locations for microenterprise policy initiatives and technical assistance resources.

MO: 12 Level: Beginner
Working with the Media
Although taking the time to work with the media is often considered a luxury by microenterprise groups struggling with limited staff and resources, it may yield huge dividends by providing increased visibility and fundraising opportunities, exposure to new constituencies and additional credibility with policy makers and politicians. The session will be highly interactive, involving participants in simulations of different interview formats.

MO: 13 Level: General
New Accounting Rules for Non-Profits
This session, offered by an experienced nonprofit accountant, is designed to assist nonprofit managers and finance officers to remain in compliance with the new accounting regulations for nonprofit organizations.

MO: 14 Level: General
SMS: A Self Managing Strategy
Participants will learn to provide a framework for developing and articulating a powerful personal strategy to cope with change, and explore new approaches to self management and effectiveness. In addition, participants will identify techniques and practice to increase personal effectiveness and performance.

MO: 15 Level: General
Getting Our Message Across: To Our Credit
A unique opportunity for practitioners to build national support for microenterprise development and increase visibility for their programs will occur when the documentary *To Our Credit* airs on public television. It will educate viewers about the potential of microenterprise development in the U.S. This session outlines specific strategies for public relations related to *To Our Credit*, as well as how strategic communications in general can be used to promote microenterprise development.

Evaluation

EV 1 Level: Beginner

Impact Assessment on a Shoestring Budget

Microenterprise assistance has far-reaching effects on participants' lives, families, businesses and communities. This session examines an impact evaluation project of Women for Rural Economic Development (WRED) that documented economic, social and psychological impacts of WRED's programming on clients.

EV 2 Level: Intermediate/Advanced

Cost-Effectiveness in Microenterprise Development Projects
Microenterprise development organizations must constantly evaluate impact and effectiveness. In today's competitive environment, it is also important to measure how efficiently available resources are used. In this session participants will learn about TechnoServe's method for evaluating cost-effectiveness, evaluate its strengths and weaknesses, and apply the method using a case-study format.

EV 3 Level: Beginner/Intermediate

Designing Your Monitoring and Evaluation System I: Getting Started
This two-part session will provide microenterprise practitioners with background and hands-on practice in developing a monitoring and evaluation system. Session I provides introductory information on monitoring and evaluation concepts and sample evaluation frameworks and case studies to explore identifying stakeholders, key questions, and indicators of program progress. Session II provides a basic, step-by-step process of developing a computerized client-data collection and reporting system as part of an overall monitoring and evaluation system. Participants will use a case study to resolve the challenges faced by an organization in developing its own system. (Participants are required to attend both sessions)

EV 4 Level: Beginner/Intermediate

Designing Your Monitoring & Evaluation System II

See EV: 3 for session description. (Participants are required to attend both sessions)

EV 5 Level: Intermediate

Establishing Performance Measures for Microenterprise Programs
For established programs who are exploring ways to improve their effectiveness and efficiency, this session introduces the operational performance measures used in the agency case studies component of SELP. Measures include indicators of portfolio performance, costs and cost effectiveness, and organizational self-sufficiency. Tools, ratios, and techniques for collecting and using data will be presented.

Program Design

PD 1 Level: Intermediate

Program Design I

In this two-part session participants will learn the major components of effective program design. In Session I, criteria for evaluating program designs based upon the needs of specific target populations will be demonstrated. Several successful program designs will be discussed in-depth. In Session II, participants will focus on identifying and selecting effective training curricula. (Participants are required to attend both sessions)

PD 2 Level: Intermediate

Program Design II

See PD: 1 for session description. (Participants are required to attend both sessions)

PD 3 Level: Intermediate/Advanced

Scale and Sustainability I

Session I explores the basic strategies for reaching scale and sustainability used by Working Capital, Calmeadow, Accion, and the Montana Microbusiness Finance Program. Session II explores strategies for reaching more businesses at less cost and attaining sustainability through internally generated interest and fees. The discussion will focus on the practical means by which organizations can work toward scale and sustainability. Calculators are required. (Participants are required to attend both sessions)

PD 4 Level: Intermediate/Advanced

Scale and Sustainability II

See PD: 3 for session description. (Participants are required to attend both sessions)

PD 5 Level: Intermediate

The Assessment Process

A client's readiness for services will be analyzed along with the assessment process. A personality-based free form assessment process will also be explored.

PD 6 Level: Beginner

Microenterprise Development with Immigrants and Refugees
Based on practice and experience, panelists will discuss the issues involved in programs for immigrants and refugees, including implications for recruitment, staffing, language, cultural, program design, formats, approaches for training and technical assistance, and financing.

PD 7 Level: General

Effective Strategies for Women Entrepreneurs

Microenterprise can be an effective means of creating jobs for low-income women, helping them increase their income and assets, and improving their self-esteem and life skills. A significant number of microenterprise programs focus exclusively on women; many others view low-income women as a primary constituency. This session shares best practices and lessons learned in reaching out to women clients and designing effective program strategies to support and grow low-income women's businesses.

PD 8 Level: General

Self-Employment for People with a Disability

This session presents economic development as a tool for targeting social change in this traditionally underserved population. Topics to be covered include the inclusion of people with a disability in traditional microlending strategies, and the rationale behind the techniques currently used to accomplish this, particularly in New Jersey and Michigan.

PD 9 Level: Intermediate

Sectoral Approaches to Microenterprise I

For microenterprise to be an effective path out of poverty, practitioner organizations will need to help clients develop high value markets in specific sectors (e.g. specialty foods/gifts) and to build specialized services for networks of small and start-up firms in those market areas. This two-part session provides case studies describing sectoral approaches. Session I addresses incubators, training and peer support groups, and flexible business networks. Session II examines strategies from specialized market surveys, catalogs, and tradeshow to the newest in on-line marketing techniques. Participants will learn to get on-line to join the National Market Forum, and also how to work together to develop new markets and marketing opportunities. (Participants may attend Session I only or I and II)

PD 10 Level: Intermediate

Sectoral Approaches to Microenterprise II

See PD: 9 for session description. (Participants may attend Sessions I only or I and II)

PD 11 Level: General

Hard Issues in Reaching and Serving Low-Income Populations
Critical questions abound regarding effectively reaching and serving low-income populations and start-up enterprises. This session offers a candid discussion of what has and what hasn't worked, drawing on prominent studies, the experiences of leading programs and vignettes from the session participants.

Entrepreneurial Training

ET: 1 Level: Beginner/Intermediate
Business Start-Up 101 - Lessons Learned in Microenterprise Training I
This two-part session focuses on the development of training skills which maximize a client's ability for startup and ongoing business development. In Session I, an overview of select training models will be featured, including self directed, participative, and just-in-time learning. Session II features practice and discussion on how the models discussed in Session I can be integrated into the participant's training program. (Participants are required to attend both sessions)

ET: 2 Level: Beginner/Intermediate
Business Start-Up 101 - Lessons Learned in Microenterprise Training II
See ET: 1 for session description. (Participants are required to attend both sessions)

ET: 3 Level: Beginner
Teaching Financial Management: A Hands-on Session for Trainers
This session demonstrates the use of experiential methodologies to teach financial management to microentrepreneurs developing a business plan. It includes group activities and models for teaching financial concepts, and the theory and practice of the experiential learning cycle.

ET: 4 Level: Intermediate
Mentor Training Program
The First Step Fund and the Ewing Marion Kauffman Foundation have developed a three-tier program to equip small business owners with the skills and knowledge they need to effectively provide one-on-one mentoring and support for First Step Fund entrepreneurs. This interactive session focuses on the components of the mentor training program and its follow-up sessions. This session highlights what small business owners need to become a mentor and presents interactive training methods to teach these skills.

ET: 5 Level: Intermediate
Developing an Entrepreneurial Trainer
This session explores the "employment, care and feeding" of an entrepreneurial trainer. Participants will define ideal trainer descriptions, discuss "train the trainer" techniques, evaluate different training styles for use with non-traditional entrepreneurs, and discuss methods for encouraging continued growth and development of entrepreneurial trainers.

ET: 6 Level: General
Making Training FUN and Effective I
An interactive two-part session for practitioners who teach adults. Session I emphasizes the importance of creating a safe and comfortable learning environment which improves information comprehension and retention. Participants will learn Accelerated Learning Techniques ("ALT"). In Session II, participants apply the techniques learned in the morning session in small groups. Each group will design a creative delivery method to reach a unique business development topic (i.e., marketing, goal setting, record keeping customer service). (Participants are required to attend both sessions)

ET: 7 Level: General
Making Training FUN and Effective II
See ET: 6 for session description. (Participants are required to attend both sessions)

ET: 8 Level: Intermediate
Numbers Talk: How Business Owners Can Use Financial Analysis and Planning For Goal Setting and Decision Making
This session demonstrates how microbusiness owners who have established sound record-keeping systems can use analysis of their financial data for goal setting and decision making. Key ratios, internal controls, cash break-even planning, and a "rolling" cash flow projection will be presented.

Policy

PO: 1 Level: General
Community Development Financial Institutions: An Overview
The session discusses the CDFI Coalition's Training Assessment and Demonstration Study and the need to promote awareness

of the CDFI on the part of policy makers, funders, and the general public. The group will identify needs filled by the CDFI industry, how to best articulate the industry's accomplishments and impact, and how cross-sector collaboration can enhance industry goals.

PO: 2 Level: Beginner
Effective Advocacy
This session provides detailed, step-by-step guidance on how microenterprise programs and practitioners can develop the skills necessary to become effective advocates for policy change at the federal, state and local levels. It covers such topics as how to reach out to elected officials and representatives and how to create effective communication tools.

PO: 3 Level: General
Using the CDBG Program for Microenterprise Development
Participants will be introduced to the regulations of the CDBG program and will learn how to use the program for microenterprise development. Panelists will present case studies from both entitlement and small cities programs. Anticipated changes in the program will also be discussed.

PO: 4 Level: General
Advocating for Asset-Based Strategies
The federal government spends billions of dollars to provide middle and upper income individuals with incentives to build assets through home-mortgage deductions, preferential tax gains and pension fund exclusions. Although these programs remain beyond the reach of most low income entrepreneurs, the process of building assets is critical to their efforts to secure a brighter economic future. Asset accumulation changes how people think and plan for their future. Participants in this session will learn about asset-based strategies and hear how they are being designed and tested across the country.

PO: 5 Level: General
Federal Interagency Task Force on Microenterprise Development: An Overview
The Interagency Task Force, housed within the CDFI Fund, begins its activities this spring. This session outlines the role of the Interagency Task Force and its future plans and will solicit feedback from participants about the ways in which the Task Force can best support the field.

PO: 6 Level: General
Including Microenterprise Development in New Block Grant Programs
Two key sources of federal funding for microenterprise development - welfare and job training programs - will most likely become block grant programs prior to the AEO's Sixth Annual Conference. This session informs participants about the shape of the new federal legislation, and will provide tips about how practitioners can become involved in the planning process to ensure that microenterprise development is included as part of their state's approach.

PO: 7 Level: General
State Microenterprise Policy Initiatives
What are the different ways in which states have elected to support microenterprise? What roles have practitioners played in advocating for state policy support? A panel of representatives from states with emerging microenterprise policies will discuss the key factors that influence state level interest and initiatives.

PO: 8 Level: General
State Networks of Microenterprise Organizations
Microenterprise programs are increasingly choosing to organize state networks focusing on advocacy and capacity building. This panel discussion focuses on the nuts and bolts of organizing statewide networks, what they can do, what issues they address, and how they can enhance individual program performance.

PO: 9 Level: Intermediate/Advanced
The SBA Microloan Program: Moving Toward Guarantees
The most significant proposed change to the SBA Microloan program will move the SBA away from being a direct lender to intermediaries, toward guaranteeing bank loans to intermediaries. It is likely that Congress will be working out how this



AEO 1996 Annual Conference and Membership Meeting
May 1-4, 1996
The Marriott - Providence, Rhode Island



Registration: A registration form must be completed for each participant (this form may be duplicated) and must be accompanied by the appropriate registration fee and completed workshop registration form. *Please type or print.*

First Name **Last Name**

Name as you would like it to appear on your name badge

Organization

Mailing Address

City **State** **ZIP Code**

Telephone **Facsimile**

- In order to ensure your full participation, please check here if you have any special mobility, audio, or visual access requirements. A member of our staff will contact you to discuss your needs.
- If you are a vegetarian or have any dietary restrictions, please note them here and follow-up with the registrar on-site (please be specific). _____
- Microbusiness Fair:** Please check here if you are interested in exhibiting at the Microbusiness Fair on Friday, May 3, 1996 at the Providence Marriott and we will send you detailed information. This is a great way to showcase your organization's products and services! The cost to exhibit is \$50.
- Program Video Viewing:** Check here to receive additional details about having your organization's educational video shown during Program Video Viewing on May 3 from 8:00-10 p.m.

AEO MEMBERSHIP

Join AEO or renew your membership and receive a conference registration discount!

1. Organization Membership Fee: \$135.00 (5 persons per organization)
 2. Individual Membership Fee: \$ 50.00

REGISTRATION/MEMBER

- Postmarked before March 14, 1996*
3. Early Member: \$350.00 per person
 4. Group Member: \$325.00 for each person registered from the same organization after the purchase of one registration at \$350
- Postmarked after March 14, 1996
5. Regular Member: \$400.00 per person (no group discount)

REGISTRATION/NON-MEMBER

6. Non-Member: \$425.00 per person at anytime
- *Forms postmarked after March 14, 1996 will not be eligible for this rate and will be billed for the additional amount.

TOTAL AMOUNT DUE (TOTAL LINES 1-6): \$ _____

PAYMENT INFORMATION

- Check enclosed (make payable to AEO Annual Conference) AEO's Federal ID# is 36-3834357
 Please charge my: VISA Mastercard

Total Amount Authorized: _____

Name as it appears on Credit Card: _____

Credit Card Number: _____

Signature: _____ Expiration Date: _____
(as it appears on credit card)

Mail/Fax to:
 Ann Becker & Associates, Inc.
 P.O. Box 4201-M
 Attn: AEO Conference
 Carol Stream, IL 60197-4201
 (312) 263-2383
 (312) 263-4035 Fax
 (Registration Via Fax will only be processed with complete credit card information).

Scholarships: A limited number of scholarships may be available to eligible members. For more information, please call the AEO office at 312-357-0177.

Cancellation Policy: Written cancellations must be mailed to Ann Becker and Associates, Inc. and postmarked by April 21, 1996 in order to receive a refund minus a \$25 administrative fee.

Questions? Please call Kelly Stepto at (312) 263-2383.

Session Selection Form

On the following session selection form, please indicate your first, second, and third choices (using "1", "2", "3") for sessions during the times specified. Most sessions are limited and will be filled on a first-come/first served basis. We will make every effort to assign you to sessions of your choice, but register early for the best availability.
 B - Beginner: I - Intermediate: A - Advanced: G - General

WEDNESDAY, MAY 1, 1996 - PM. SESSIONS (2:30 p.m. - 5:00 p.m.)

Number Here	Session#	Title	Level
_____	EV: 3	Designing Your Monitoring and Evaluation System I: Getting Started	B/I
_____	MO: 10	Integrating Impact Throughout an Organization	G
_____	PO: 9	The SBA Microloan Program: Moving Toward Guarantees	I/A
_____	ET: 8	Numbers Talk: How Business Owners Can Use Financial Analysis and Planning	I
_____	TI: 1	Microenterprise Training Institute I	B
_____	MO: 5	For Executive Directors Only: Managing Growth I	I/A
_____	MO: 15	Getting Our Message Across: To Our Credit	G
_____	LE: 1	Introduction to Peer Lending	B
_____	PO: 1	Community Development Financial Institutions: An Overview	G
_____	PD: 11	Hard Issues in Reaching and Serving Low Income Populations	G
_____	PD: 5	The Assessment Process	I

WEDNESDAY, MAY 2, 1996 - A.M. SESSIONS (10:00 a.m. - 12:45 p.m.)

Number Here	Session#	Title	Level
_____	MO: 3	Overview of Funding Sources and Strategies	B/I
_____	LE: 3	Managing your Microenterprise Loan Portfolio	I
_____	PO: 2	Effective Advocacy	B
_____	EV: 1	Impact Assessment on a Shoestring Budget	B
_____	PD: 1	Program Design I	I
_____	TI: 2	Microenterprise Training Institute II	B
_____	LE: 2	Advanced Methodologies in Peer Lending	I/A
_____	MO: 6	For Executive Directors Only: Managing Growth II	I/A
_____	MO: 1	Strategic Planning I	G
_____	ET: 3	Teaching Financial Management: A Hands-on Session For Trainers	B
_____	EV: 4	Designing Your Monitoring and Evaluation System II	B/I

THURSDAY, MAY 2, 1996 - PM. SESSIONS (2:30 p.m. - 5:00 p.m.)

Number Here	Session#	Title	Level
_____	PO: 5	Federal Interagency Task Force on Microenterprise Development: Overview	G
_____	PD: 2	Program Design II	I
_____	TI: 3	Microenterprise Training Institute III	B
_____	EV: 5	Establishing Performance Measures	I
_____	PD: 8	Self-Employment for People with a Disability	G
_____	ET: 4	Mentor Training Programs	I
_____	MO: 4	Building a Diversified Funding Base	I/A
_____	MO: 2	Strategic Planning II	G
_____	LE: 5	Anatomy of a Loan Decision	B
_____	PO: 4	Advocating for Asset-Based Strategies	G
_____	PO: 14	Financing the Field	G

FRIDAY, MAY 3, 1996 - A.M. SESSIONS (10:00 a.m. - 11:30 a.m.)

Number Here	Session#	Title	Level
_____	MO: 7	Grantwriting I	B/I
_____	PO: 6	Including Microenterprise Development in New Block Grant Programs	G
_____	PD: 3	Scale and Sustainability I	I/A
_____	LE: 6	Software for Microloan Programs	G
_____	PO: 8	State Networks of Microenterprise Organizations	G
_____	ET: 6	Making Training FUN and Effective I	G
_____	ET: 1	Business Start-Up 101 - Lessons Learned in Microenterprise Training I	B/I
_____	MO: 14	SMS: A Self Managing Strategy	G
_____	EV: 2	Cost-Effectiveness in Microenterprise Development Projects	I/A A
_____	PD: 6	Microenterprise Development with Immigrants and Refugees	B
_____	LE: 8	Financial Analysis Tools for Practitioners I	I

FRIDAY, MAY 3, 1996 - PM. SESSIONS (2:30 p.m. - 5:00 p.m.)

Number Here	Session #	Title	Level
_____	LE: 7	Peer and Individual Lending: Reflections	I
_____	MO: 8	Grantwriting II	B/I
_____	PD: 4	Scale and Sustainability II	I/A
_____	PD: 7	Effective Strategies for Women Entrepreneurs	G
_____	MO: 9	Creative Partnerships	G
_____	MO: 12	Working with the Media	B
_____	LE: 9	Financial Analysis Tools for Practitioners II	I
_____	PD: 9	Sectoral Approaches to Microenterprise I	I
_____	ET: 7	Making Training FUN and Effective II	G
_____	ET: 2	Business Start-up 101: Lessons Learned	B/I
_____	PO: 13	The Microcredit Summit: An Overview	G

SATURDAY, MAY 4, 1996 - A.M. SESSIONS (10:45 a.m. - 12:45 p.m.)

Number Here	Session#	Title	Level
_____	PO: 10	Banking Policies and Linkages with Microenterprise Development	G
_____	PO: 3	Using the CDBG Program for Microenterprise Development	G
_____	PO: 7	State Microenterprise Policy Initiatives	G
_____	PO: 12	International Coalition on Women and Credit: An Overview	G
_____	PO: 11	Securing and Maintaining the Self-Employment Option for Unemployment Insurance Recipients	G
_____	PD: 10	Sectoral Approaches to Microenterprise II	I
_____	MO: 15	New Accounting Rules for Non-Profits	G
_____	ET: 5	Developing an Entrepreneurial Trainer	I
_____	MO: 11	Using the Internet to support Microenterprise	G
_____	LE: 10	Credit Analysis: A Tool for Making Credit Decisions	B
_____	LE: 4	Private Sector Financing Partnerships	I

change will be implemented at the time of the Annual Conference. This session will focus on policy and implementation issues resulting from this change.

PO: 10 Level: General
Banking Policies and Linkages with Microenterprise Development
This session focuses on the ways microenterprise development organizations and banks can work together to achieve common objectives. Findings from AEO's project with the Federal Reserve will be discussed along with updates on the Community Reinvestment Act and other federal policy issues.

PO: 11 Level: General
Securing and Maintaining the Self-employment Option for Unemployment Insurance Recipients
NAFTA opened the door for states to allow recipients of unemployment insurance to receive self-employment allowances. A few states have passed legislation implementing this option. This session provides strategic advice to practitioners seeking to promote this option in their states. It also focuses on how practitioners and AEO can work to ensure that the legislation, which sunsets in 1997, can become permanent.

PO: 12 Level: General
International Coalition on Women and Credit: An Overview
This session provides an overview of international microenterprise lending, and will focus on the activities of the International Coalition on Women and Credit. The Coalition's work on the Fourth World Conference for Women in Beijing, current policy strategies, and efforts to strengthen microenterprise lending worldwide will also be featured.

PO: 13 Level: General
The Microcredit Summit: An Overview
Participants in this session will learn more about the Microcredit Summit, organized by the RESULTS Educational Fund and scheduled for February 1997 in Washington, DC. The Summit is working to ensure that 100 million of the world's poorest families, especially the women of those families, are receiving microcredit loans for self-employment by the 2005. Join AEO members who are leading the Summit's working group on credit in industrialized countries. In a session designed to gather feedback on the latest draft declaration and plan of action.

PO: 14 Level: General
Financing the Field
The session features a discussion about creating a sustaining financial funding base for the microenterprise development field in the U.S.

Lending

LE: 1 Level: Beginner
Introduction to Peer Lending
Participants will learn the basic elements of the peer lending methodology. They will examine implementation strategies, including options for linkages with local communities. Other topics include materials development, marketing, and management information systems.

LE: 2 Level: Intermediate/Advanced
Advanced Methodologies in Peer Lending
This session gives experienced peer lending practitioners an opportunity to learn the details of other programs' designs. Specific approaches that promote group autonomy and high impact while minimizing costs will be emphasized. Topics include screening and recruitment of members, the group formation process, the loan review process, loan guarantee mechanisms, technical assistance strategies, and the role of the facilitator.

LE: 3 Level: Intermediate
Managing Your Microenterprise Loan Portfolio
This session provides practitioners with proven strategies for managing delinquency rates, loan loss rates and techniques for recovery of losses in a high-risk portfolio setting. The methods to be presented and discussed will focus on how to give customers the tools they need to repay their loans. Participants are encouraged to bring

detailed portfolio information and have working knowledge of the backgrounds of their delinquent borrowers.

LE: 4 Level: Intermediate
Private Sector Financing Partnerships
This session presents various methods of capitalizing loan funds using private sector dollars, focusing on partnerships with financial institutions. The positives and negatives of managing a direct loan fund compared to the financial sector making and servicing loans will be discussed. In addition, other private/public initiatives such as the SBA Women's Pre-Loan Pilot Program and the Low Documentation Program will be discussed.

LE: 5 Level: Beginner/Intermediate
Anatomy of A Loan Decision
The experienced presenters in this session outline the loan due diligence philosophy and process, including the definition of due diligence, goals, and technical tools, strategies, methods, and techniques.

LE: 6 Level: General
Software For Microloan Programs
This session, presented from the users' perspective, provides information about two portfolio management software packages designed specifically for microenterprise programs. The presenters will discuss the needs identified for individual and group loans, portfolio tracking and delinquency, impact monitoring, present the overall structure of the systems, and show the different reports that the systems generate.

LE: 7 Level: General
Peer and Individual Microlending: Reflections from Organizations That Do Both
This workshop includes presentations by experienced organizations that offer both peer group and individual microloans and related services. The panel and follow-up Q & A will compare the two methodologies, addressing such questions as: What are the target markets for each product? How do outreach and marketing requirements differ? Which methodology is most effective in targeting limited-resource entrepreneurs?

LE: 8 Level: Intermediate
Financial Analysis Tools for Practitioners I
This two-part session introduces participants to the range of financial analysis tools useful in working with both start-up and existing microentrepreneurs. A major focus of the class will be how to identify and structure working capital financing to support growth. Using a case study, participants will learn to assist their clients to collect and organize their financial information into high quality financial statements and how to use ratios and quality indicators to evaluate the financial statements and weaknesses of an enterprise. (Participants are required to attend both sessions).

LE: 9 Level: Intermediate
Financial Analysis Tools for Practitioners II
See LE: 8 for session description (Participants are required to attend both sessions).

LE: 10 Level: Beginner
Credit Analysis - A Tool for Making Credit Decisions
This session looks at basic skills needed to analyze a loan request and assess a company or entrepreneur's ability to repay the loan based on credit, capacity and character. Cash flow, profit and loss statements, balance sheets, income tax returns, personal financial forms and business loan applications will be reviewed along with techniques to verify company-prepared information using information obtained from the credit reporting file and the federal income tax return.

Register Now!



Association for Enterprise Opportunity
70 East Lake Street
Suite 520
Chicago, Illinois 60601

Pre-Conference Tour of Newport Microsites

Newport, Rhode Island is located on the Aquidneck Island, approximately 37 minutes southeast of Providence. This site tour will include a visit to the offices of WAHID (which means "unique" in Arabic) and an economic development project in the north end of Newport. WAHID runs a microbusiness program and is an agent for Working Capital. Bring \$7 to cover the transportation at the start of this tour.

Post-Conference Tour of Providence Microsites

The Southside of Providence is only 7 minutes from the Providence Marriott. This trip will feature the Elmwood Neighborhood Housing Services and a survey of economic development sites around five target neighborhoods. Elmwood NHS operates the state's largest microbusiness program, runs a commercial loan fund and is developing several business incubator facilities. Bring \$10 to cover the transportation at the start of this tour.

Accommodations:

A special block of guest rooms have been reserved for AEO conference participants at the headquarters hotel, the Providence Marriott. The special group rate of \$89.00 (plus 12% tax) is available until April 10, or until the block is filled, so call to make your reservation today. Please reference the AEO Annual Conference and have a credit card available to guarantee your reservation.

The Providence Marriott
One Orms Street
Providence, RI 02904
(401) 272-2400 or (800) 937-7768

Travel:

AEO has a special arrangement with Premier Travel Partners to offer the lowest fares available on all carriers for the participants traveling to the AEO Conference in Providence. Additional group discounts have been arranged with Premier on United Airlines. Call Premier at (800) 843-0531 and reference the AEO Annual Meeting.

ASSOCIATION FOR ENTERPRISE OPPORTUNITY

70 E. Lake St.

Suite 620

Chicago, IL 60601

Telephone: (312) 357-0177

Fax: (312) 357-0180

March 15, 1996

Kirsten Moy

Director

The CDFI Fund

Department of the Treasury

1500 Pennsylvania Ave., N.W.

Room 5116

Washington, DC 20220

Dear Ms. Moy:

The Association for Enterprise Opportunity (AEO), the ^{Founded 1991} national trade association of over 500 microenterprise development organizations serving thousands of economically disadvantaged entrepreneurs in the U.S., is pleased to submit the following comments on the interim final rule to implement The CDFI Act of 1994 (Public Law 103-325). AEO is also pleased to affirm and support the comments you have received from the CDFI Coalition, of which AEO is a Steering Committee Member. We appreciate the efforts that went into the development and execution of the regulations and commend The CDFI Fund staff for its work.

AEO recognizes The Fund's need for a comprehensive, five-year business plan as its critical tool in the assessment of an applicant's readiness to provide quality services to its targeted audience. If, however, The Fund is committed to supporting a diversified mix of CDFIs it must acknowledge and compensate in its regulations for the many smaller scale microenterprise development programs whose balance sheets, for example, show much less detail than larger-scale programs whose volume and loan amounts are far greater. In addition, The Fund should also compensate for the the majority of microenterprise development programs who are young and growing institutions. As emerging institutions the level of detail and history they could provide to you is also different than that which you currently require. We strongly encourage you to take this into consideration and extend eligibility to the many emerging microlenders who are serious in their intent to become CDFIs, rather than limit eligibility to the largest and generally oldest microlenders who have established detailed track records.

Further, The Fund states "the applicant's predominant business activity is the provision of loans or investments," generally described by Fund staff as 50% of the applicant's budget and staffing engaged in lending. Whether or not AEO should encourage all microenterprise development programs to become CDFIs is a critical issue that AEO intends to study further in the months ahead. AEO will engage the CDFI Coalition, AEO members, and others in these discussions and invites The CDFI Fund to join in these discussions as well. In the interim, however, we request that The Fund additionally reflect upon our certainty that the provision of training to microentrepreneurs is at least as important as the provision of a loan in contributing to the success or failure of a small business. In many programs, the costs to provide that training are far more than that which a program can or may invest in the lending process, although lending is central to the program's mission. We respect The Fund's intent to spur strong community development. We therefore suggest that eligibility for microenterprise development programs be broadened in this area to compensate for the high costs microenterprise development programs incur that can make a significant difference between a strong and weak business and ultimately a significant difference between a strong and weak impact on the community.

March 15, 1996
Ms. Kirsten Moy
Page Two

Also in regard to eligibility, we ask The Fund to join with AEO as we reflect upon microenterprise development programmatic growth. In the future we expect to see more and more microenterprise program growth occur through the addition of a microenterprise development unit to an existing program, rather than the start-up of a stand-alone program whose sole mission is to provide microenterprise development services. These additions will also most likely occur within programs who provide a wide range of community services but may not include a CDFI component. This could result in a programmatic inability to operate a loan fund. However, AEO recognizes that the provision of access to capital in a variety of forms is a critical microenterprise development program service to provide and should be offered in lieu of lending if lending is not possible. We therefore ask The Fund to consider supporting microenterprise development programs in which a strong access to capital program is in place if it cannot operate a loan fund but perhaps more importantly, to consider making provision for increased support to existing CDFIs who add a microenterprise development program to its other existing program(s).

Lastly, the microenterprise development industry is a rapidly growing movement comprised of an extraordinary number of innovative programs, all of which enrich AEO's continuing discussions of "best practice." AEO and The Fund are united in The Fund's objective to enhance the stability, performance, and capacity of awardees. AEO has worked hard since its founding in 1991 to meet the needs of this growing field through the design and implementation of its Training Agenda, the centerpiece of which is AEO's Annual Conference and Membership Meeting. We therefore request that The Fund also consider expanding its program if and when its resources permit to include the provision of grants to organizations like AEO who offer capacity-building services as one more important way The Fund can strengthen its awardees and the industry in general.

Thank you again for this opportunity to comment on the regulations. We salute the efforts of the CDFI Advisory Board and staff, and stand ready to answer any questions you may have regarding our comments. We also look forward to continuing our work together.

Sincerely,


Christine M. Benuzzi
Executive Director

ASSOCIATION FOR ENTERPRISE OPPORTUNITY

70 East Lake Street
Chicago, IL 60601
(312) 357-0177
(312) 357-0180

September 29, 1995

Dear Friend:

As a person interested in the Micro Credit Summit we want to share with you the enclosed response from the Association for Enterprise Opportunity (AEO) to the RESULTS request for feedback on the draft declaration and call for action. We invite and encourage your questions and comments.

Thank you.

Sincerely,



Christine M. Benuzzi
Executive Director

enclosures

ASSOCIATION FOR ENTERPRISE OPPORTUNITY

70 East Lake Street
Chicago, IL 60601
(312) 357-0177
(312) 357-0180

September 28, 1995

Mr. Sam Daley-Harris
Executive Director
RESULTS Educational Fund
236 Massachusetts Ave., N.E., Suite 300
Washington, D.C. 20002

Dear Sam:

Thank you for inviting the Association for Enterprise Opportunity (AEO) to provide comments on the Micro Credit Summit draft declaration and plan of action. We are enthusiastic about the potential benefits for international and domestic microenterprise practitioners and others coming together and AEO's participation in the Summit.

It is AEO's mission to lead the U.S. microenterprise movement, both at the Summit and in the normal course of our work in the years ahead. As the U.S. trade association of microenterprise development organizations, we provide our members with the forum, information and voice to promote enterprise opportunity for people and communities with limited access to economic resources. AEO takes its charter to represent our members' wide range of issues very seriously. Our reply to you is therefore gleaned from the feedback we received from many of our members in addition to the AEO Board of Directors.

Our members continue to have significant concerns about the Micro Credit Summit. We have thus decided that it is more important at this time to share our larger concerns with you and seek resolution, rather than make specific comments on the draft declaration and plan of action. Of utmost concern is the present lack of acknowledgment and awareness of the important distinctions between microenterprise development in the U.S. and in developing nations. These distinctions fall primarily into four areas:

- microenterprise development in the U.S. encompasses more than microcredit;
- microenterprise development in the U.S. embraces poverty alleviation, human development, and economic development strategies, leading us to target populations that includes but extends beyond the "poorest of the poor";
- microenterprise development in the U.S. is strongly affected by the complexity of our economy, and the fact that the microenterprise sector is much smaller in the U.S. than in developing nations. These differences lead to program designs and cost levels which differ from those in developing nations; and
- microenterprise development in the U.S. includes other models besides peer lending.

Microenterprise development encompasses more than microcredit. Very few programs in the U.S. limit their efforts simply to microcredit. Given the complexity of doing business in the U.S., and the fact that many would-be entrepreneurs have little direct business experience, most domestic programs have found it essential to include components aimed at building the business skills and personal effectiveness of

September 28, 1995
Mr. Sam Daley-Harris
Page Two

their clients. We are concerned that issues critical to U.S. microenterprise development will continue to be overlooked, especially the need to provide training and technical assistance as well as program sustainability. Achieving sustainability simply from the net derived from loan fund income in particular will not be possible for U.S. programs and the declaration's language clearly sets out unrealistic expectations.

Microenterprise development embraces poverty alleviation, human development, and economic development strategies. AEO recognizes that benefits can be derived from the global marketing of self-employment as a powerful and extraordinarily humane poverty alleviation strategy. Although we know that, from an advocacy perspective, it is useful to work in sound-bites, we are concerned that this will set expectations for U.S. programs that cannot possibly be met. In the U.S. it remains equally important, if not more so, to also market microenterprise development as a critical tool in our economic development arsenal. Job creation, housing, human development, and other community development factors are interrelated and their importance to successful microenterprise development cannot be ignored.

Further, in the U.S. we are seeing great success with economically disadvantaged entrepreneurs, and this of course is the population that AEO's membership is committed to serving. Some members' programs serve the most destitute and disadvantaged of our citizens. Others serve the working poor and still others serve the wide range of persons who do not have access to credit. We cannot afford to ignore any of these segments of the population--and, as we work to institutionalize and entrench microenterprise into our economy, our programs must work with the populations-in-need in which success has the greatest possible multiplier effect. We remain committed that economically disadvantaged populations continue to receive the current programming now in place, and that programs be expanded to effectively reach larger numbers of people. We also believe that programming should continue to be expanded to the working poor who are not always the "poorest of the poor" in the global context.

Microenterprise development is strongly affected by the complexity of the U.S. economy. There are important distinctions that distinguish the U.S. market from that of a developing nation that must be recognized: the demographics of clients served, a variety of program models, regulatory, tax, and welfare issues, and the like. The facts that the smallest enterprises in the U.S. must compete against very large enterprises and corporations, and that the microenterprise sector is relatively small, have important implications for the shape and cost structure of U.S. programs. Microenterprise programs in this country offer technical assistance because their clients must be prepared to compete against Wal-Mart (or others) and comply with tax laws and regulations. This requires that business owners conduct market analyses and undertake adequate recordkeeping. The fact that only about 8 per cent of U.S. workers are self-employed--compared to the 50 to 70 per cent figures in the developing world--means that programs must work harder to generate demand for their services. Finally, because the U.S. has a well-developed set of financial institutions, the goal of most microenterprise programs is to "graduate" their clients to the formal banking sector. This means that programs routinely lose their best and most successful clients. These factors combined mean that it will be very difficult for programs in the U.S. to reach the levels of scale and self-sufficiency attained in the developing world, and have implications for the types of financing our programs require.

Microenterprise development includes other models besides peer lending. We heard many concerns about the apparent positioning of the Grameen Bank as the premiere microenterprise model for the world. Although the Grameen Bank and other models from the developing world have helped shape and inspire

September 28, 1995
Mr. Sam Daley-Harris
Page Three

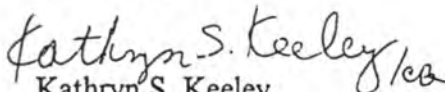
some U.S. programs, many of our members have been actively engaged in bringing models and innovations from other movements to this field. We must also note that a number of programs in the U.S. have tried to replicate the Grameen Bank model and found it could not be replicated without significant modification. Programs in the U.S. use a range of models for credit delivery, including group lending, individual lending, and linkages with traditional financial institutions. We don't yet know enough about these various credit models to determine which works best. However, early evidence suggests that the "best" will vary depending both on local circumstances and the goals of the particular community and program.

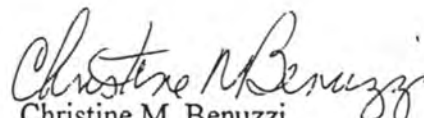
We recognize that from an advocacy perspective, it may be easier to represent a single set of challenges and issues for the global microenterprise field. However, it is our strong belief that the draft declaration, as currently written, would create unrealistic expectations for U.S. programs on the part of policymakers and others. We cannot risk RESULTS, while very well-intentioned, using its strong U.S. and global network to inadvertently override forces already in place, create unrealistic expectations by policy makers and others, and thus undermine the very hard work and steady progress that has already been made in this country.

We also wish to bring to your attention some concerns that rest more with the process we have seen to date than the substance of the Summit. First, in seeking the reactions of our members to the declaration, concerns were raised about RESULTS' willingness to listen and work in the true spirit of collaboration. Although our members--many of whom have worked with you and your organizations over the past years--are cognizant of RESULTS' ability to make things happen despite the obstacles, they are also concerned that you not assume a level of expertise and responsibility for the microenterprise movement in the U.S. beyond your experience.

We salute RESULTS for taking on such an important task. We submit this letter in the fullest spirit of cooperation and collaboration and again assert that we remain enthusiastic about the Summit and in working together. We look forward to a discussion with you about these concerns. We would also be happy to provide specific comments on the draft declaration once our issues are resolved.

Sincerely yours,


Kathryn S. Keeley
Chair, AEO Board of Directors


Christine M. Benuzzi
Executive Director

CC: AEO Board of Directors/Frank Ballesteros, Bonnie Dallinger, Connie E. Evans, Ellen Golden, Christopher Just, Etienne R. LeGrand, Eileen Lunderman, Michael B. Maroney, Mary Mathews, Mitty Owens, Michael E. Roberts, Kelly Rosenleaf, Carol A. Williams

AEO Member Review Committee/Jeff Ashe, Bill Burrus, Peggy Clark, Emily Duncan, John Else, Elaine Edgcomb, Bob Friedman, Joyce Klein, Gene Severens, Kathy Stearns

RESULTS reading list

AEO Exchange

UPDATE • UPDATE • UPDATE • UPDATE

ASSOCIATION FOR ENTERPRISE OPPORTUNITY • FEBRUARY 1996

70 E. LAKE STREET • SUITE 520 • CHICAGO, IL 60601 • 312-357-0177 • FAX: 312-357-0180

SBA Microenterprise Needs Member Action

Funding for the Small Business Administration was included in the continuing resolution (CR) Congress passed on Friday, January 26, to keep the federal government operating through March 15. The CR provides funding for nine Cabinet departments and several independent agencies whose regular spending bills for FY 1996 have not been enacted, including the SBA.

The current CR grants the SBA authority to obligate up to five and one-half months of funding for the microloan program at the level autho-

rized by the Commerce, Justice, State Appropriations bill that was vetoed by the President (HR 104-378):

- \$4.5 million for microloans,
- \$1.26 for microloan guarantees, and
- \$9 million for technical assistance grants.

We understand that the SBA plans to move quickly in getting these funds out to intermediaries. Therefore, intermediaries and TA providers who need or anticipate needing additional funds in FY 1996 should submit their funding requests to SBA as soon as possible.

Congress will return from their recess at the end of the month, and face the challenge of either preparing yet another CR to keep the government open or reaching acceptable compromises on the remaining FY 1996 spending bills.

Action Needed

AEO members, microloan intermediaries and technical assistance providers should keep in touch with congressional representatives over the next few weeks. Congress needs to know how critical the continuation of SBA Microloan Program funding is to your organization.

Take advantage of this congressional recess to invite Representatives and Senators to visit your program and meet with constituents/entrepreneurs that have benefited from the microloan program.

The January issue of SBA's *Microlink* requested current information from intermediaries on 1995 microlending activities. This information will be helpful in AEO's ongoing efforts to advocate for the SBA Microloan Program funding. All members should get data into the SBA, with copies to AEO.

Annual Conference Scholarships Available

Since AEO and the microenterprise field benefit from the participation at the AEO Annual Conference of a diverse range of practitioners, the Calvert Group has generously offered again to help AEO provide some scholarships to practitioners who might otherwise be unable to attend.

Selection Criteria

- must be an AEO member
- must be a practitioner
- practitioner's microenterprise program must be operational

Selection Process

- Process must encourage diversity.
- 1/3 of the funds will be set aside for programs that have been operating one year or less.
- Process must support the maximum number of member programs to attend the meeting.
- Ability of program budget to support staff/board development will be considered.

Applicants should submit a short statement to AEO by

March 22, describing their microenterprise practice, the budget for the microenterprise program, the organizational budget (if separate from the microenterprise program budget), and the number of years the program has been operating. Applications will be considered on a first-come/first-served basis, using the selection criteria described above.

Recipients will have conference registration fee waived. Recipients may be needed to monitor sessions or to perform brief volunteer

duties. If you are considering applying, we recommend that you pay your full tuition for the conference now in order to reserve space in the workshops of your choice. Those applicants selected for scholarships will receive reimbursement of any previously paid registration fee prior to the conference. If you do not have the funds to send a check at this time, submit the application statement and AEO will let you know if you qualify. At that point you can submit your registration to Ann Becker and Associates.

AEO Exchange

HELP WANTED

Wanted: Mailing Lists

The AEO 1996 Annual Conference Brochure with session details and registration materials is ready and will be mailed to members shortly.

In order for the Conference to draw from the widest base of potential attendees, we would like names of people and organizations who might be interested in attending the conference. Please fax names to AEO. If you have a lengthy mailing list of potential attendees, we would prefer to receive labels or the list on disk.

Contact:

Donna Campbell
AEO
TEL: 312-357-0177
FAX: 312-357-0180

Special Opportunity

Jack Litzenberg of the Charles Stewart Mott Foundation would like to meet with several AEO members at the Annual Conference to hear their thoughts about the Mott Foundation's future grant-making in microenterprise development.

AEO is scheduling interviews on his behalf, and has extended the deadline because the fax number printed last month was incorrect.

If you are interested in being among the 10 to 15 individuals to meet with Jack, please send AEO a fax (no phone calls, please) no later than February 15, 1996, indicating your interest.

AEO
FAX: 312-357-0180

CALL FOR PAPERS

The Journal of Community Practice

The Journal, published at the School of Social Work of the University of North Carolina Chapel Hill, plans a special issue on community economic development. It is soliciting full-length analytical articles (15-20 pages) that examine various aspects of community economic development as well as short "practice notes" describing innovative and noteworthy projects (5-10 pages). Deadline for submission is May 1, 1996.

Possible topics (as they relate to community economic development) include: developing individual family assets, self-employment with low-income populations, commu-

nity empowerment, public policies, participation of women, the role of culture, and the role of credit.

Please contact the guest editors for more information and details on submissions.

Margaret Sherraden
Dept. of Social Work
Univ. of Missouri-St. Louis
8001 Natural Bridge Road
St. Louis, MO 63121
TEL: 314-516-6376
FAX 314-516-5415
EM: Sherrad
@umslvma.umsl.edu
or

William Ninacs
Corp. de Devel. Commun-
autaire des Bois-Francs
C.P. 92, Victoriaville,
Quebec G6P 6S4
TEL: 819-758-7401
FAX: 819-758-4822
EM: ninacs@web.apc.org

Deadline for next issue February 27. Send to M.L. Egan 264 S. Milton St. St. Paul, MN 55105

TEL: 612-224-3076 FAX: 612-224-4570 E-mail: mlegan612@aol.com

Association for Enterprise Opportunity

720 East Lake Street
Suite 520
Chicago, IL 60601

Address Correction
Requested

AEO Exchange

ASSOCIATION FOR ENTERPRISE OPPORTUNITY • JANUARY 1996

70 EAST LAKE STREET • SUITE 520 • CHICAGO, IL 60601 • 312-357-0177 • FAX: 312-357-0180

Connie Evans Begins Term as AEO Board Chair

As I begin my term of office as Chair of AEO, I'd like to thank all members for their work which makes the Association for Enterprise Opportunity the important, successful, diverse organization that it is. All of us, I believe, can take immense pride in that. As you know, AEO recently cosponsored a national conference on asset-development. Although the focus was on Individual Development Accounts, the theme of asset development resonates with me now as I contemplate my term ahead as Chair.

When I look at the assets of AEO, I see three important categories: people, relationships and resources. First among the people assets is a talented and committed Board, in particular a group of dedicated committee chairs and officers. In addition, there

are the members who dedicate time to serve on committees and take on leadership roles with the various sub-committees through which AEO conducts much of its work. The membership-at-large is a tremendous asset. We are also profoundly lucky to have Chris Benuzzi as our Executive Director. Her commitment to this organization, her tenacity in getting things done well, and her unwavering concern for the membership will be key to our continued success. I hope to inspire and assist in the development of all of AEO's people assets.

The relationships that AEO has formed, particularly over the last two years, is a second set of assets that is especially important to me. AEO has exciting projects ahead of it for the microenterprise field, where our collaboration with

other national groups will enrich the scope and depth of our work. As we build new linkages and look to solidify old relationships, I envision that our assets will multiply in a creative spirit of cooperation and expansion.

Of course, we cannot look at assets without looking at capital – financial assets. AEO is most fortunate to have the continued and substantial support of the Charles Stewart Mott Foundation and the Ford Foundation, for which we are indeed grateful.

We are also building our financial assets through increasing our donor support and through member support and renewal. It is my goal to see that the financial assets of AEO are not just safeguarded, but that they are increased and diversified.

As Chair, I am committed

not only to ensuring that all assets be safeguarded and cherished, but also that they be expanded and leveraged in ways that support the mission and values adopted by the AEO membership.

Last, I thank my colleagues on the board for their support and confidence in my leadership. My deepest gratitude goes to our immediate past chair, Kathy Keeley. It is wonderful to know that I can rely on her experience and advice in my term as she continues to play a key role on the board.

AEO has a spirit and purpose that is a remarkable thing to see from this perspective. I thank all of you for this privilege and look forward to working with you.

Connie E. Evans
Chair

AEO Board of Directors

Urgent CDFI News: Deadlines Extended

Applications deadlines for both the Community Development Financial Institutions (CDFI) and Bank Enterprise Award (BEA) are being extended to January 29, 1996.

CDFI Deadline was January 22, and the BEA deadline was January 16. All applications to both the CDFI and BEA Programs must be received by

4:00 PM Eastern Standard Time on January 29, 1996.

BEA applicants should note that the assessment period will not change, remaining January 1, 1996 through June 30, 1996.

The CDFI Fund, although not affected directly by the furlough of Federal Employees, has determined that the furlough, coupled with the

blizzard, has adversely affected the ability of prospective applicants to obtain data from some Federal agencies.

In particular, the shut-down has prevented many prospective BEA applicants from obtaining needed data available to the public only through the US Department of Labor's Bureau of Labor Statistics used

to designate distressed communities.

Contact: Community Development Financial Institutions Fund
1500 Pennsylvania Ave. NW
Room 5116
Washington, D.C. 20220
TEL: 202-622-8662
FAX: 202-622-7754

AEO Exchange

NOMINATIONS SOUGHT

The AEO Board of Directors will have six open seats in May. The Nominating Committee is seeking nominations to run for election and serve a two-year term of office.

Elections for new board members will occur at the Annual Meeting. Although this is still several months away, the nominating and board review process requires an early deadline, this year February 29.

Current Board Members *not* up for reelection in May are:

- Frank Ballesteros
- Bonnie Dallinger
- Connie Evans
- Kathy Keeley
- Etienne LeGrand
- Michael Maroney
- Mitty Owens
- Julia Vindadius
- Carol Williams

AEO members should submit nominations, along with a statement of qualifications of the nominee, and reasons why she or he would make a good AEO Board member.

Please be certain to obtain permission from a member before submitting his or her name to the committee.

Keep in mind

- At least 2/3 of the Board must be practitioners;
- efforts will be made to include program participants; and
- the Board should reflect the diversity of the membership.

Time Commitment

Board members are expected to spend at least several hours per week on AEO business for their two year

term of office.

The Board is required to meet at least twice each year in person, and meets more frequently via conference calls.

The slate of nominees will be published in the April issue of the AEO Exchange. Nominations will also be taken at the Annual Meeting.

Contact:

Mitty Owens
 Chair, Nominating
 Committee
 P.O. Box 3619
 Durham, NC 27707
 FAX: 919-688-3615
 E-mail: mitty@selfhelpl.org

AEO PERSONALS

Connie E. Evans, AEO's new Board Chair, was named to the Community Development Financial Institutions (CDFI) Fund Advisory Board by President Clinton. Congratulations to Connie.

Etienne LeGrand, AEO Board Member and formerly the Executive Director of Women's Initiative for Self Employment in San Francisco, has opened two business ventures, The Enterprise Group, a management consulting firm specializing in business and community economic development, and the Corporation for Cultural Literacy, a children's book publishing company.

Contact: Etienne R. LeGrand
 The Enterprise Group
 130 Webster Street #100
 Oakland, CA 94607
 TEL: 510-839-0953
 FAX: 510-251-1201
 E-Mail: egabi@aol.com

1996 SIXTH ANNUAL AEO MEETING TENTATIVE AGENDA

Wednesday, May 1

10:00 am - 11:00 am	Final Meeting of the 1995/96 Board of Directors
12:00 pm - 4:00 pm	Preconference Tour of Providence Microsites
12:00 pm - 7:00 pm	Conference Registration
11:30 pm - 2:00 pm	Speaker Training Session and Luncheon
2:30 pm - 5:00 pm	Concurrent Sessions
6:00 pm - 7:00 pm	Opening Plenary
7:00 pm - 8:00 pm	Welcoming Reception

Thursday, May 2

7:00 am - 11:00 am	Breakfast on Your Own
8:30 am - 9:45 am	Conference Registration(cont'd)
	Plenary Session with Keynote Speaker
10:00 am - 12:15 pm	Concurrent Sessions
12:30 pm - 2:15 pm	Lunch & Committee Meetings
2:30 pm - 5:00 pm	Concurrent Sessions
5:30 pm - 7:00 pm	Regional Meetings
7:00 pm - 10:00 pm	Clam Bake Hosted by Elmwood Neighborhood Housing Services

Friday, May 3

8:00 am - 8:45 am	Roundtable Discussions
9:00 am - 11:30 am	Concurrent Sessions
11:45 am - 2:15 pm	Board of Directors Candidates Forum and Luncheon
2:30 pm - 5:00 pm	Concurrent Sessions
2:30 pm - 8:00 pm	AEO Board Voting Period
6:00 pm - 8:00 pm	Microbusiness Fair/Reception
8:00 pm - 10:00 pm	Program Video Viewing

Saturday, May 4

8:30 am - 10:30 am	Annual Business Meeting and Breakfast
	• Election Results
	• Discussion of Key Issues
	• Comments from the Floor
	• Reports from Committees
	Concurrent Sessions
10:45 am - 12:45 pm	Tour of Providence Microsites
1:30 pm - 4:30 pm	First Meeting of the 1996/97 Board of Directors
1:30 pm - 2:30 pm	

AEO Exchange

'96 CONFERENCE UPDATE

Elmwood Neighborhood Housing Services is the local host for the Sixth Annual conference and Membership Meeting of AEO, to be held May 1-4, 1996 in Providence, Rhode Island. Several off-site trips will allow conference attendees to visit microbusinesses and economic development initiatives in Providence's Southside and on Aquidneck Island.

The 1996 Conference Theme is "Impact through Collaboration" and will focus on how to increase the positive effects AEO members have on their communities and the people they serve.

A travel and restaurant desk in the main registration area will provide attendees with assistance in visiting other sites and experiencing the variety of native and ethnic cuisine available in Rhode Island.

Other highlights:

- Elmwood Neighborhood Housing Services will host a Rhode Island Clambake for the conference attendees on Thursday, May 2, at Roger Williams Park Casino.
- A Microbusiness Showcase Fair will be held Friday, May 3 featuring products and services from more than 50 microentrepreneurs from around New England.

To accommodate the ever-increasing growth and to incorporate member feedback on last year's conference, the training agenda has expanded considerably, featuring over 55 training sessions offered in the areas of policy, management and organizational development, evaluation, program

design, lending and entrepreneurial training. (See Tentative Agenda on page two.)

This conference also marks the debut of AEO's Microenterprise Training Institute, a three-session training especially for beginners. It will start on Wednesday, May 1, and conclude Friday morning so that participants can also attend other sessions on Friday and Saturday.

Special thanks to those who are providing support for this conference:

- The Charles Stewart Mott Foundation,
- The Ford Foundation,
- The Levi-Strauss Foundation, and
- The Calvert Group.

The major local sponsors (some to be confirmed) for the AEO Conference and Membership Meeting are: Citizens Bank (Providence), Neighborhood Reinvestment Corporation (Boston), and Fleet Bank (Providence). Media cosponsors are WJAR-TV, Providence Business News, Presencia (Spanish language weekly), and the Providence American (African-American weekly).

Thanks also to Conference Planning Chair Christopher Just, and Host Committee Chair Ken Proudfoot of Elmwood Neighborhood Housing Services.

Don't Forget!

Early Member registration is \$350 (each additional organizational member \$325) through March 14. After March 14, the rate increases to \$400 for all members. Non-member registration is \$425.

Call Becker&Associates:
TEL: 312-263-2383

Special Opportunity

Jack Litzenberg of the Charles Stewart Mott Foundation would like to meet with several AEO members at the Annual Conference to hear their thoughts about the Mott Foundation's future grant-making in microenterprise development.

AEO is scheduling interviews on his behalf. If you are interested in being among the 10 to 15 individuals to meet with Jack, please send AEO a fax (no phone calls, please) no later than January 31, 1996, indicating your interest.

AEO

FAX: 312-257-0180

Member Survey

Please fax your response to
AEO by February 1, 1996.

FAX: 312-357-0180

As AEO seeks to expand its services to members, it is considering offering the opportunity to purchase group health insurance to the staff of member organizations and their program participants. Since potentially significant discounts can be realized with a volume purchase of group health insurance, if we did offer this opportunity, we would like to have as many members enroll as possible.

In order to explore this further, AEO needs indications of interest from members, and based on the survey response will explore the feasibility of offering such a program.

Yes, we are interested in participating in an AEO-sponsored group health insurance plan.

We would consider signing up
_____ staff members and _____ clients.

We would also be interested in life insurance and disability income insurance.

Name _____

Organization _____

Address _____

City, State, Zip _____

TEL: _____ FAX: _____

Thanks!

AEO Exchange

UPCOMING EVENTS

Photos Needed for the AEO Annual Meeting for the AEO Wall of Fame

The 1996 Annual Meeting organizers are looking for photos of people, places and events at past AEO Conferences.

- They may be color or black and white.
- Photos will be copied and the originals returned unharmed.
- Label photos with date and place of event and names of persons in the photo (if you know them).

Send to: Ken Proudfoot
AEO '96
9 Atlantic Avenue
Providence, RI 02907

Introduction to Working Capital

Working Capital is offering a one-day introduction to Working Capital.

When: February 1 from 10:00 AM to 4 PM.

Where: YWCA
233 King Street
Wilmington, Delaware
(One block from the AMTRAK station.)

Working Capital in Delaware is carried out by the YWCA and First State Community Loan Fund. With 26 business loan groups trained in their first year, the program in Delaware is off to an impressive start.

Contact: Elizabeth Morris
Working Capital
TEL: 617-576-8620
FAX: 617-576-8623

Breaking Ground: CDFIs at Work

2nd National CDFI Institute

Dates: March 20-23, 1996

Where: Philadelphia

Event is designed to:

- stimulate discussion and analysis of the political and economic environment in which CDFIs work
- share information about new developments in the field
- provide training to CDFI practitioners
- Facilitate cross-sector networking

Contact: CDFI Coalition
924 Cherry St. 2nd flr.
Philadelphia, PA 19107
TEL: 215-923-5363
FAX: 215-923-4755

AEO CLASSIFIEDS

Position: Program Manager

FINCA, a nonprofit microenterprise organization for women, seeks a program manager for a Minnesota program to expand lending activities throughout the state.

Qualifications: BA/BS community development (MA/MS desirable.) Experience in management, microenterprise, writing, oral presentation skills, travel in greater Minnesota required.

Salary: \$25 to \$35 K.

Contact: FINCA Human Resources
1101 14th St. NW
11th floor
Washington, DC 20005
TEL: 202-682-1510
FAX: 202-682-1535

**Deadline for next issue February 7. Send to M.L. Egan 264 S. Milton St. St. Paul, MN 55105
TEL: 612-224-3076 FAX: 612-224-4570 E-mail: mlegan612@aol.com**

**Association for
Enterprise Opportunity**
70 East Lake St.
Suite 520
Chicago, IL 60601

*ADDRESS CORRECTION
REQUESTED*

AEO Exchange

ASSOCIATION FOR ENTERPRISE OPPORTUNITY • DECEMBER 1995

70 EAST LAKE STREET • SUITE 520 • CHICAGO, IL 60601 • 312-357-0177 • FAX: 312-357-0180

SBA Microloan/Reauthorization Update

Congress passed the Fiscal 1996 Commerce, Justice, State Appropriations Bill and sent it on to the White House. The President is expected to veto it because funds for the Justice Department's cops-on-the-beat program are cut.

Though overall funding for the SBA Program was reduced by approximately 35% from last

year, appropriations for the SBA Microloan program were maintained at close to their FY95 level. The House/Senate Conference report provides \$9 million in technical assistance grants, \$4.5 million for microloans, and \$1.2 million for microloan guarantees.

Though the fate of the Commerce, Justice, State Appropriations Bill is still up in

the air, it is unlikely that any revised appropriations bill would make significant changes to the SBA's budget.

SBA Reauthorization Legislation Expected in 1996

Both the House and Senate Small Business Committees intend to take up SBA reauthorization bills in the coming year. Though both houses held

hearings to scrutinize a number of SBA programs, including the microloan program and the consolidation of the SBA technical assistance programs, no legislation was introduced.

The Administration is expected to send their reauthorization bill to the Congress along with their Fiscal 1997 Budget, and the House and Senate will introduce their bills soon thereafter.

CDFI Fund Extends Deadlines

The CDFI Fund decided to extend the application deadlines for both the CDFI Program and the Bank Enterprise Program. The new deadlines for applications are:

Bank Enterprise Program:
January 16, 1996

CDFI Program:
January 22, 1996

The White House and Congressional budgeters apparently reached a tentative agreement to provide \$50 million for the CDFI Fund in Fiscal 1996 (the second year), with a slim chance that there could be even more funds. Senator Bond (R-MO) Chair of the HUD, VA and Independent Agencies Appropriations Subcommittee is proposing a manager's amendment to the FY96 appropriations bill which

includes \$50 million for the CDFI Fund. It is unclear whether the entire package is acceptable to the White House, but this is the first time in the recision process that a Republican has formally supported the CDFI Fund.

Senator Leahy of Vermont has agreed to speak out on the floor in support of CDFI Fund funding, and all members must contact their senators immediately urging them to make a statement on the floor of the Senate in support of CDFI funding. Let them know if your organization is applying for funding.

Contact: Laura Schwingel
CDFI Coalition
TEL: 215-923-5363
FAX: 215-923-4755
E-M: NACDLF@aol.com

AEO 1996 Annual Conference Member Advance Registration

A reminder that advance discount registrations of \$275 for the Annual Meeting are due January 2, 1996.

You must be a current member to get the discount. If you are unsure of your membership status or wish to become a member, contact AEO.

For questions on membership:

AEO
70 East Lake St.
Suite 520
Chicago, IL 60601
TEL: 312-357-0177
FAX: 312-357-0180

For questions on registration:

Ann Becker and Associates
TEL: 312-263-2383
FAX: 312-263-4035

AEO Exchange

NETWORKING & COMMUNICATIONS

Microenterprise On-Line

The Networking and Communications Committee, chaired by Chris Sikes of the Western Massachusetts Enterprise Fund, will be putting together information for members. More on this will appear in future issues. In the meantime, here is a site to get members started:

Community Development Banking

Alternatives Federal Credit Union hosts a discussion group on Community Development Banking, self-described as "The best Community Development Banking resource in Cyberspace."

This list serves practitioners including Community Development Credit Unions, CD Banks, CDCs, CD Loan Funds, and non-profits involved in support. The discussions have ranged from the practical (construction, mortgage, and small business lending; job opportunities, conferences, fundraising) to legislative (CRA, HMDA, CDFI) to microloan funds, peer lending, local currency and targeting social impact. For a quick overlook:

ARCHIVES are at <ftp://ftp.lightlink.com/pub/afcu>

Subscribe by E-Mail:

TO: ListProc@cornell.edu

BODY: subscribe

Community Development Banking
-L YourName YourCompany
List Moderator Bill Myers
afcu@lightlink.com

For AEO Committee:

Contact: Chris Sikes
TEL: 413-774-4033 or
wmfecs@aol.com

1998 SITE SELECTION

The 1998 AEO Annual Meeting, to be held in the Western US, is seeking a host. Host programs participate on the annual planning committee, host the banquet, and assist with on-site responsibilities.

Host sites are required to provide an active member of the Planning Committee to work with the conference coordinator and the committee on site and logistics issues. The host site must also provide volunteers just prior to and throughout the Annual Meeting.

Contact: Donna Campbell at AEO

PUBLICATIONS

Journal of Developmental Entrepreneurship

JDE will focus on issues concerning microenterprise development among economically disadvantaged groups. The intended audience is scholars and professionals in the field.

JDE welcomes articles that critically address specific efforts to increase entrepreneurship among women and minorities, and values readability and practicality. JDE will publish in spring and fall, beginning Spring 1996. Manuscript guidelines are available from the editor.

Subscription rates: Institutions: \$125 Individuals: \$50

Contact: Dr. William Lewis Randolph

Norfolk State University
2401 Corprew Ave.
Norfolk, VA 23504
TEL: 804-683-2563
FAX: 804-683-2506

Small Business Lending for Economic Development Volume I and Volume II

Finance Programs targeting small businesses in inner-city neighborhoods are profiled in two new reports by the Woodstock Institute:

Small Business Lending for Economic Development:

Volume I: Strategic Responses for Urban Communities

Volume II: Model Urban Programs

The research:

- Explains the role of small business lending in revitalizing inner city neighborhoods.
- Demonstrates how the Community Reinvestment Act (CRA) and economic development programs can be used to spur increased lending.
- Offers a how-to guide for developing small business financing strategies in targeted markets.
- Provides examples of model lenders including bank-community partnerships, specialized bank units, multibank efforts, government-administered programs, and nonprofit community development lenders.

A key lesson of this research is the importance of CRA to increasing small business lending in these markets.

CRA advocacy has led to community reinvestment agreements between banks and community organizations.

In addition, CRA has spurred banks to create their own programs or to work with other financial institutions and

government in economic development efforts.

The reports are available from the Woodstock Institute.

Price: \$10 per copy for non-profits, \$20 for for-profits.

Contact: Dan Immergluck

Malcolm Bush

Woodstock Institute

TEL: 312-427-8070

FAX: 312-427-4007

The Characteristics and Contributions of Home-Based Women-Owned Businesses in the U.S.

Home-based women-owned businesses in the US. number 3.5 million and provide full or part-time employment for an estimated 14 million people.

The latest research by the National Foundation for Women Business Owners with corporate partners AT&T and the MetLife Small Business Center, documents the economic contributions of home-based women-owned businesses (HBWOB) to the economy.

Other key findings include:

- Nearly two-thirds (63%) of HBWOB employ people in addition to the owner. Full-time employment, including the owner, numbers 5.6 million. Part-time or contract income is provided for an additional 8.4 million.
- Demographically, HBWOB owners are similar to non-home-based owners. They are no more likely to have children at home than non-home based owners. Their education level is somewhat higher.

- HBWOB were more likely to use private sources and credit cards to finance business growth than non-home based businesses. Only 12% of HBWOB used a commercial loan during 1994, compared to 40% of non home-based women-owned businesses.

This report is the fifth in a six-part series of Research Monographs available from NFWBO.

Individual Reports: \$19.95
Entire Series: \$110.00

Contact: National Foundation for Women Business Owners

TEL: 301-495-4975

FAX: 301-495-4979

Enabling Entrepreneurship: Microenterprise Development in the United States

by Peggy Clark, Amy Keys, Karen Doyle

The Self-Employment Learning Project (SELP) is a longitudinal assessment of seven leading microenterprise programs in the United States. This baseline year report of the Self-Employment Learning Project addresses key findings on the following issues.

- Who are the programs reaching?
- Are microbusinesses profitable?
- How do microenterprises contribute to household economic stability?
- What are the characteristics of microbusinesses?

To Order: Aspen Institute Publications Department
P.O. Box 222

Queenstown, MD 21658

TEL: 410/820-5326

FAX: 410/827-9174

Self-Employment and Very Low-Income Women

A Final Report on the San Francisco Homeless Women's Economic Development Project (HWEDP)

HWEDP (later called SF WEST) is a comprehensive program designed to help homeless women work toward financial independence through establishing small scale enterprises. It is a project of the Roberts Foundation's Homeless Economic Development Fund.

HWEDP is a collaborative project between the Bay Area Women's Resource Center (BAWRC) and the Women's Initiative Self-Employment (WISE), and provides social support and business training for an 18-month period of time. BAWRC provided comprehensive social services, and WISE provided the business skills component. HWEDP has operated for four years with a total of 33 women participating. The majority of participants appear to have experienced significant changes in various facets of their lives as a result of the HWEDP experiences.

Some key findings from Harder+Kibbe's independent evaluation include:

Self-Employment

- 58% of the women were reported to be self-employed at follow-up.
- With one or two exceptions, self-employment revenue supplemented income earned in full or part-time jobs.

Other Employment

- Employment status improved -- while nearly

47% were unemployed when they joined the project, at follow-up 57% were employed full-time and 24% were employed part-time.

Income

- Upon entering the program, 96% of participants reported annual household incomes of \$12,000 or less; at follow-up, half had incomes of greater than \$18,000.
- Women who were self-employed on a full or part-time basis were twice as likely to have household incomes over \$18,000.

Housing

- Housing situations improved dramatically. All participants had been homeless or in transitional housing in the three months prior to joining HWEDP. At follow-up all women were housed.
- Housing stability was improved. The majority of early participants report being in their current living situations for more than two years.

A full copy of the report is available. A report on the Roberts Foundation's experiences and lessons learned managing business ventures which employ homeless people will be available in 1996.

Contact:

Jed Emerson
The Roberts Foundation
873 Sutter Street
San Francisco, Ca 94109
TEL: 415-771-4300

1997 AEO CONFERENCE

The 1997 Annual Meeting will be held in Omaha. While negotiations for a site hotel are in process, THE DATES WILL BE MAY 7-11, 1997. The location will be in the downtown area which is 10 minutes from the airport.

The Omaha bid was submitted by the Nebraska Enterprise Opportunity Network (NEON), one of the new statewide microenterprise associations.

Located at the center of the country, Omaha is served by all major airlines and currently enjoys some of the cheapest airfares in the country. While negotiations for a site hotel are in process, the location will be in the downtown area which is 10 minutes from the airport and has dozens of restaurants, nightclubs, museums, and a riverfront all within walking distance. Many are in Omaha's historic "Old Market" area.

NEON brings to the host committee the commitment of NEON's membership, including urban programs in Omaha and Lincoln and rural and Native American programs.

Pre- and post-conference visits to both urban and rural programs will be organized, and the Nebraska Microenterprise Partnership Fund, a public-private statewide microenterprise financial intermediary, will be involved in fund raising for a special NEON-hosted banquet.

ADDRESS CORRECTIONS

Please send address corrections/change of address information directly to the AEO Office. Thanks!

TEL: 312-357-0177

FAX: 312-357-0180

AEO Exchange

AEO PERSONALS

AEO Board Member
Kelly Rosenleaf has accepted a new position as the City of Missoula, Montana's Grants Administrator. In this position, Kelly will oversee the City's transition to a CDBG entitlement city, the establishment of city CDBG funding priorities as they move from the competitive small cities program, grantwriting for various city departments, and administration of a variety of grants obtained by the City.

Contact: Kelly Rosenleaf
City of Missoula
Grants Office
435 Ryman
Missoula, MT 59802
TEL: 406-523-4603
FAX: 406-728-6690

AEO CLASSIFIEDS

Position: Program Officer in Rural LISC Office - Phoenix

Qualifications: BA in finance, real estate, planning, or equivalent. Minimum two years community development experience; loan packaging or underwriting in real estate development; strong verbal, written, and computer skills. Bilingual Spanish/English preferred.

Note: The job entails a considerable amount of travel throughout the western states. Salary commensurate with experience.

Contact:
Sharon Baranofsky
LISC
111 West Monroe
Suite 1610
Phoenix, AZ 850003

TEL: 602-256-0015
FAX: 256-7264

Position: Fund Manager, Goodwill Industries, Atlanta

Description: Fund Manager to develop and direct new microenterprise training/lending program for low-income women in Atlanta.

Qualifications: Degree or at least 6 years experience in business, community development, or human services. Strong communication skills; ability to work with diverse populations; knowledge of banking, credit, business financing, and fundraising. Multi-task productivity and sense of humor critical.

Deadline: December 22
Contact: Dee Wallace
Goodwill Atlanta
TEL: 404-377-0441
FAX: 404-377-0754

UPCOMING EVENTS

Second National CDFI Institute

Dates: March 20-23, 1996

Where: Philadelphia

Event is designed to:

- stimulate discussion and analysis of the political and economic environment in which CDFIs work
- share information about new developments in the field
- provide training to CDFI practitioners
- Facilitate cross-sector networking

Contact: CDFI Coalition
924 Cherry St. 2nd fl.
Philadelphia, PA 19107
TEL: 215-923-5363
FAX: 215-923-4755

Deadline for next issue January 7. Send to M.L. Egan 264 S. Milton St. St. Paul, MN 55105
TEL: 612-224-3076 FAX: 612-224-4570 E-mail: mlegan612@aol.com

Association for Enterprise Opportunity
70 East Lake St.
Suite 520
Chicago, IL 60601

ADDRESS CORRECTION

REQUESTED

AEO Exchange

ASSOCIATION FOR ENTERPRISE OPPORTUNITY • OCT./NOV. 1995

70 EAST LAKE STREET • SUITE 520 • CHICAGO, IL 60601 • 312-357-0177 • FAX: 312-357-0180

SEID Participants Final Evaluation Results

The findings of the final evaluation follow-up study of the Self-Employment Investment Demonstration (SEID) participants are now available. They have important implications for self-employment as a self-sufficiency option for welfare recipients. *Part I of the Final Evaluation Report, the Participants Survey*, indicates that although survey respondents had been receiving AFDC for an average of three and one-half years prior to participation in SEID, 79% started businesses that continue to operate and 52% stopped receiving AFDC.

The Self-Employment Investment Demonstration (SEID) was implemented in 1986 under the auspices of the Corporation for Enterprise Development. It was designed to test the extent to which self employment could offer a feasible way off of welfare. Its focus is the development of innovative enterprise development strategies which simultaneously expand opportunity and competitiveness. An additional purpose of the demonstration was to identify policy barriers to economic self-sufficiency for this population.

Five states eventually participated, operating under

federal waivers of AFDC regulations: Iowa, Maryland, Michigan, Minnesota, and Mississippi.

The Participants Survey was conducted by Salome Raheim and Catherine Foster Alters of the School of Social Work at the University of Iowa. Data came from telephone interviews of a random sample of 120 SEID participants who started businesses.

The finding of this study, including the welfare history of these SEID participants, their responses regarding the importance of the AFDC waiver, their business survival rates, and the reductions of

welfare and food stamp receipt, demonstrate the following:

- Welfare recipients can successfully start businesses, and these businesses can be successful when the knowledge, skills, and capital to do so are available.
- Self-employment is a viable self-sufficiency option for at least some welfare recipients when intermediary organizations, such as the SEID program operators, are present to support these efforts, and welfare policy

continued on page 2

CDFI Fund Regulations and NOFA Release

Congress retained \$50 million for the CDFI Fund, and moved the agency into the Treasury department. CDFI Fund Regulations and a Notice of Funds Available (NOFA) were published October 19 in the Federal Register. The deadline for application is December 22, 1995.

One-third of the FY95 appropriation (approximately \$16 million) has been set aside for the Bank Enterprise Program, a competitive rebate incentive program which encourages depository institutions to make equity

investments in CDFIs. The Fund will disburse the remaining \$31 million directly to CDFI Fund applicants in the form of grants, equity investments, deposits, loans and credit union shares, as well as technical assistance.

CDFI Coalition Regional Briefings

The CDFI Coalition will sponsor regional briefings to help potential applicants evaluate their eligibility, explain the application process, and analyze the regulations.

Each briefing will have a

general session analyzing the regulations and a second of break-out groups addressing specific sectors, such as community development credit unions, loan funds, and microenterprise lenders.

- Chicago, IL - November 3

Contact: Trinita Logue

TEL: 312-629-0060

- New York, NY -
November 8

Contact: Cathie Mahon

TEL: 212-923-5363

- Atlanta, GA, November 6

Contact: Laura Schwingel

TEL: 215-923-5363

CDFI Fund Briefings

The CDFI Fund will hold three briefings:

- Washington D.C. -
November 1 and
November 13
- Los Angeles - Nov.17

To register for the CDFI Fund Briefings:

**Contact: Skip Cooper
TEL: (310) 417-5170**

For more information on the Coalition:

**Contact: Laura Schwingel
CDFI Coalition
TEL: 215-923-5363
FAX: 215-923-4755**

AEO Exchange

continued from page 1

barriers to income generation and asset building are removed. SEID program operators and AFDC waivers were key to participants successfully starting and operating businesses.

- Accumulation of business and personal assets is a unique outcome of these programs.
- These programs can have positive implications for financial stability, participant self-esteem and self-efficacy, family relationships, and children gaining experience in a family-owned business.
- Self-employment development programs can increase the self-employment rate among African Americans.
- Self-employment development programs can decrease the failure rate of small businesses among disadvantaged groups. The authors of the study draw the conclusion that policy change is needed in order for welfare recipients to pursue self-employment as a route off of welfare.

- Although a new business may take several years to produce enough income to support a family, the findings indicate that self-employment is a viable route off of welfare.

Some other highlights from Part I of the Final Evaluation Report:

Participants' Evaluations of SEID

Most respondents who received the following services rated them as "very useful":

- Loans (81%)
- Business Training (73%)
- Technical Assistance (66%)
- Meeting with SEID program staff (65%)
- Help with loan application (65%)
- Other service (e.g., child care, transportation, personal counseling, and networking assistance) (88%)

Program Outcomes

Among respondents, the rate of business survival, asset gains, increases in self-efficacy, and improvements in quality of life were tremendous. However, income gains were modest.

SEID Businesses

Financing Business Start-Up

The three largest sources of financing for SEID businesses:

- SEID program operators
- Personal funds
- Commercial bank loans

The pattern of financing for SEID businesses has important implications:

- Consistent with the findings of microenterprise development studies abroad, findings demonstrate that intermediaries, such as the SEID program operators, play a critical role in the financing of small enterprises for the poor.
- The amount of personal funds invested in business start-up and expansion activities suggests that SEID participants were resourceful and committed to the pursuit of their own economic self-sufficiency.
- AFDC income waivers made it both possible and advantageous for participants to invest in themselves through their businesses.

Business Survival and

Closures

The survival rates for SEID businesses exceed the national average for businesses of similar size:

- 79% of businesses in the sample were still operating at the time of the follow-up study.
- These businesses had been in operation for an average of 2.6 years.
- The youngest business had been in operation for one month and the oldest for eight years.

Some SEID business closures were the result of positive outcomes, such as returning to school or accepting full-time employment. Others were due to insufficient business income, poor health, or difficult family circumstances.

- 21% of the SEID businesses in the sample had closed.
- These businesses operated for an average of 18.4 months.
- Their length of operation ranged from one month to five years.
- SEID business failure rates are well below the national average for businesses of comparable age and size.

Job Creation

SEID businesses surveyed created jobs in addition to those of the owners.

- Excluding the SEID business owner, and seasonal jobs, these businesses created an average of .53 jobs each, approximately one new job for every two SEID businesses.
- In addition to existing jobs

SEID Evaluations

The following evaluations are all available from CFED.

Self-Employment for Welfare Recipients,

Manpower Demonstration Research Corporation, August 1991. Interim evaluation, included elements of the program model and demographics of participants.

Self-Employment Investment Demonstration Final Evaluation Report

Part I: Participant Survey, School of Social Work, University of Iowa, April 1995. (See article above.)

Part 2: Cost Analysis (to be published.)

Lessons from the Self-Employment Demonstration

Corporation for Enterprise Development (1991, updated, 1995) Mid-term assessment, summarizes lessons drawn from program operators, state sponsors, and its own experience.

To order publications: CFED, 777 North Capitol, NE, Suite 801, Washington D.C. 20002
TEL: 202-408-9788 FAX: 202-408-9793

created, 30 additional hires were planned by these businesses within the 12 months following the survey.

Business Assets/Liabilities

On average, respondents had more business assets than liabilities. Average assets were \$10,510 and average liabilities were \$5,643, with an average net worth of \$4,867.

Personal Assets

Respondents had a number of personal assets they did not have at the time they enrolled in SEID. These included homes, cars, savings accounts, insurance policies, and other financial investments. Average personal assets were \$8,738 per participant.

Reductions in AFDC and Food Stamps Receipt

- AFDC receipt decreased 51.7% from 96.7%.
- Food stamps receipt decreased 43.2%, from 91.2%.

Changes in Primary and Secondary Sources of Income

Subsequent to SEID and starting a business:

- 55% of respondent families were producing their own primary source of income through their businesses or jobs, compared to only 9% prior to SEID.
- Reliance on AFDC as a primary source of income decreased 65%.
- Reliance on food stamps as a secondary source of income declined 62%.
- The receipt of child support increased 45%.
- A significant number of respondents were able to consistently buy food (35%) and clothing (34%)

for their families after participation in SEID, who could not do so prior to enrollment.

- Significant improvements were found in respondents' abilities to make timely personal loan and credit card payments.

Copies of the full report and additional evaluations of SEID, an overview of SEID, and reviews of operational and policy lessons learned from SEID are available from CFED. (See box on page two.)

Contact: Bob Friedman
CFED
353 Folsom Street
San Francisco, CA 94105
TEL: 415-495-2333
FAX: 415-495-7025

POLICY NEWS

SBA Update

There has been no action taken on the SBA Microloan since the last Exchange. It is not too late to contact Congressional representatives, if you have not already done so.

Welfare Reform Update

The Senate and House conference committees are now meeting on welfare reform and it appears that the system will eventually be block granted to the states. Kathy Keeley represented AEO at a meeting with White House Chief of Staff Leon Panetta to urge Presidential veto if welfare does not remain an entitlement program. Members must continue to contact their representatives, especially Republicans, to improve this bill.

All those working with welfare recipients should be contacting their states NOW to find out what the state will be

doing should the program be block granted. Now is the time to prepare for the 1996 legislative sessions as the states expect the block grant to pass and are preparing for the programs.

It will also be important to get small business related regulations into the state program when the rules are being drafted.

AEO PERSONALS

Jack Litzenberg and Frank Ballesteros Named to CDFI Board

President Clinton named two founding Board Members of AEO to the Community Development Financial Institutions Fund (CDFI Fund) Advisory Board:

Jack Litzenberg of the Charles Stewart Mott Foundation, and

Frank Ballesteros of PPEP/MICRO (Project Portable Practical Educational Preparation /Micro Industry Credit Rural Organization of Tucson, Arizona.

Congratulations to Jack and Frank -- both dedicated to opening enterprise opportunities to the low-income and disadvantaged, and friends and supporters of AEO!

Keeley Moves to Calvert Social Investment Foundation

Kathy Keeley, AEO Board Chair, has moved into a new position as Executive Director for the Calvert Social Investment Foundation. The Foundation is starting a new program, Targeted Community Investments (TCI). TCI notes will be sold to individuals and institutions as investments. TCI notes are a \$1,000 minimum

for one, three or five year terms at a below market fixed rate of return. The money raised will be loaned at below market rates to community development financial organizations. Calvert Group has been doing this type of high-impact investments through their social funds for the last four years, and the experience has been so positive that it has been expanded into a separate organization. Keeley can be found in the home office in the Washington D.C. area, or at her office in Minneapolis. The contact number for her is programmed to ring in whichever location she is currently working.

Contact: Kathy Keeley
Targeted Community Investments
4550 Montgomery Ave.
Bethesda, MD 20814
TEL: 301-951-4895

PUBLICATIONS

Gemini Project: Lessons Learned

The Gemini Project of USAID (Growth and Equity through Microenterprise Investments and Institutions) is drawing to a close, and wanted to put together some lessons learned over the six years of the project.

Gemini has published 27 short issue papers on microenterprise development, covering topics ranging from finance to policy. USAID, in its forthcoming best practices project, will share with practitioners worldwide lessons learned in its micro-enterprise development work.

Contact: Matthew Gamser
Gemini Project
TEL: 310-718-8699

AEO Exchange

UPCOMING EVENTS

The First National Conference on IDAs

When: November 13-15

Where: Chicago, IL

Conference goals:

- Increase the number and quality of State and Community IDA demonstrations.
- Maximize the lessons learned from those demonstrations.

Contact: Ann Becker and Associates

TEL: 312-263-2383

E-MAIL: 76325.2721@compuserve.com

AEO Board Meeting Monday, November 13 Chicago, IL

Members with issues for the board to consider contact Chris Benuzzi at AEO.

North Central and Upper Midwest Regional Meeting

When: November 16 and 17, 1995 (time to following the IDA conference on the 13-15)

Where: Chicago, IL

For: AEO members and friends in IL, IA, MI, WI, MN, MO, KS, NE, ND, SD, and Canada

Theme: Increasing impact in the following areas:

- Policy,
- Entrepreneurial Training,
- Management and Organizational Development,
- Program Design, Program Evaluation, and
- Lending.

Contact: Michael Maroney

New Community Development Corporation

TEL: 402-571-3100

FAX: 402-571-4540

FUNDING ALERT

State Microenterprise Organizing Activities Request for Proposals

The Corporation for Enterprise Development is releasing an RFP for state microenterprise associations.

The purpose of the grants, under the auspices of the CFED's Microenterprise Policy Project, is to increase and enhance the creation of state associations or networks of microenterprise practitioners.

The grants are being funded by the Charles Stewart Mott Foundation. CFED and the Mott Foundation hope to increase the capacity of practitioner organizations to influence state policy development and build their internal capacity through two means:

- By providing direct grants of up to \$10,000 to up to ten organizations that will play a lead role in organizing and operating microenterprise associations that undertake policy and capacity building efforts for their members, and
- By bringing representative of these ten organizations together at two interstate meetings, at which they can jointly strategize and learn from each other's experiences.

The grants are for a one-year period.

Deadline:

December 1, 1995.

Decisions: December, 1995

Funds Available:

January, 1996.

Contact: Joyce Klein

TEL: 703-243-0573

Deadline for next issue November 15. Send to M.L. Egan 264 S. Milton St. St. Paul, MN 55105

TEL: 612-224-3076 FAX: 612-224-4570 E-mail: mlegan612@aol.com

Association for Enterprise Opportunity

70 East Lake St.

Suite 520

Chicago, IL 60601

ADDRESS CORRECTION

REQUESTED

AEO Exchange

ASSOCIATION FOR ENTERPRISE OPPORTUNITY • SEPTEMBER 1995

70 EAST LAKE STREET • SUITE 520 • CHICAGO, IL 60601 • 312-357-0177 • FAX: 312-357-0180

Senate Recommends Cuts in SBA Funding

Cuts in the SBA Microloan Program Funding have been recommended by the Senate Appropriations Committee, and the National Women's Business Council (NWBC) and the Women's Demonstration program were zeroed out by the same committee.

The Fiscal 1996 Commerce, Justice, State Appropriations' Bill, which contains all appropriations for the Small Business Administration, will go to the Senate floor for a vote as early as September 25. After passing in the Senate, it could move into conference committee as early as September 29. This means AEO members must take action immediately.

The Senate bill currently contains the following funding recommendations for the SBA

Microloan Fund:

- \$5.5 million in technical assistance grants (\$3.5 million less than FY95 and \$6.5 million less than the House FY96 bill);
- \$0 for microloans (\$5.3 million less than Fiscal 1995 and \$500,000 less than the House FY96 bill);
- \$1.2 for microloan guarantees (the same as FY95 and \$500,000 less than the House FY96 bill).

The principal concern for AEO is restoring funding of the technical assistance grant to the FY95 level of \$9 million. AEO is currently working with Senators Wellstone (D-MN), Bumpers (D-AR), Harkin (D-IA), and Lautenberg (D-NJ) on an amendment that would restore TA funds to \$9 million and recommend \$5 million in

direct loan authority.

Immediate Action Needed

1. Build support in the Senate, especially amongst Republicans, for an amendment to restore funding to the SBA Microloan account. Call your Senator(s) and encourage them to co-sponsor an amendment being offered by Senator Wellstone to restore \$6.3 million in SBA Microloan TA funding, bringing it back to House-recommended FY96 level.

Key Senators to target:

McConnell (R-KY)
Burns (R-MT)
Stevens (R-AK)
Bond (R-MO)
Jeffords (D-VT)
Specter (R-PA)
Domenici (R-NM)
Grassley (R-IA)

If you feel that your Senator is interested in supporting this amendment please contact Alison Feighan at Rapoza Associates.

2. Once the final appropriations bill passes the Senate, it will be referred to a Senate/House Conference Committee to work out the differences between funding levels recommended in the House and Senate bills. The House Commerce, Justice, State Appropriations Subcommittee, chaired by Congressman Rogers (R-KY), reported out a bill that was favorable to the SBA Microloan Program. We need to encourage House and Senate Conferees to adopt the appropriations levels recommended in the House bill (\$12 million for TA, \$5 million for loans, \$1.7 million for guarantees).

continued on page 8

Sixth Annual Membership Meeting

AEO's next annual conference and membership meeting is scheduled for Wednesday, May 1, through Saturday, May 4, 1996 in Providence, Rhode Island. The 1996 Conference theme is the impact members have on the community and the people they serve. Program improvement and expansion opportunities will also be explored.

The 1996 training agenda will be expanded. Special focus will be placed on offering workshops to address the needs of all AEO members. This will mean that the selection committee will choose session proposals in a way that reflects the diversity of the membership, i.e. urban, rural, minority, low-income, women, and will assure that workshops also

represent beginner, intermediate, and advanced training.

AEO member Elmwood Neighborhood Housing Services is the Local Host, with the Local Host Committee chaired by Ken Proudfoot. In addition to Committee Chair Chris Just, other members of the 1996 Conference Planning Committee include: Phil Black, Susan Brown, Chris Giallongo,

continued on page 2

A NEW HOME FOR AEO

Effective
September 15

Association for
Enterprise Opportunity
70 East Lake St.
Suite 520

Chicago, IL 60601

The telephone and fax
numbers remain the same:

TEL: 312-357-0177

FAX: 312-357-0180

AEO Exchange

CALL FOR SESSIONS FOR AEO'S SIXTH ANNUAL CONFERENCE AND MEMBERSHIP MEETING

The 1996 AEO Conference Planning Committee invites you to submit a proposal to conduct an educational session at the upcoming meeting. Practitioners, policy advocates, and others are encouraged to participate and to share your expertise with each other. Select a teaching format which suits your topic: *Lecture, Interactive Group Discussion, Case Study, Panel Discussion, or Roundtable.*

Topic Areas: To meet the increasing needs of our members, the training agenda will be expanded to include seven specific areas of training:

- Introduction to Microenterprise (AEO's Training Institute for newcomers)
- Policy
- Entrepreneurial Training
- Management and Organizational Development
- Program Evaluation
- Business Lending
- Program Design

Selection Process

The 1996 Conference Planning Committee will select sessions based on the proposal's overall quality, application to the area of training, application to the field of microenterprise development, well-defined focus, learning objectives, and practical applications of material.

Submission of Proposals

Proposals must be received by November 15, 1995.

Mail to: Chris Benuzzi, Executive Director, AEO, 70 E. Lake St., Suite 520, Chicago, IL 60601.

Proposals must be typewritten and no longer than one typed page. Please include the following information:

Name (and name(s) of any co-presenter(s)). Include title, organization, address, telephone, and fax number for each presenter.

Title of session and 100-word session description. This copy will be used in promotional materials. Remember, when writing copy, put yourself in the reader's shoes. Please be concise.

Three key learning objectives. Identify what the audience will be able to do as a result of participating in the session.

Presentation format. Please select one: Lecture, Interactive Group Discussion, Case Study, Panel Discussion, or Roundtable.

Audience level of experience or knowledge and size of group for optimum learning opportunity. Please select one: beginner, intermediate, or advanced.

Description of handouts.

Time needed for your presentation. Indicate if you are proposing a regular or double session. Regular sessions are approximately 2.5 hours in length and double session are 5 hours in length. A limited number of slots are available for double sessions.

Biography of each presenter. This copy will be used in promotional materials. Remember, resumes and curriculum vitae will not be accepted.

Compensation. AEO relies on its many members who share their time and expertise with each other in order to keep our registration fee as low as possible. Therefore, financial compensation or fee waivers cannot be offered to the many individuals who provide a regular session. Presenters offering double sessions, thereby foregoing a full day of conference activities, are offered half off the registration fee in effect at the time the registration is submitted.

continued from page 1

Joyce Klein, Michael Maroney, Mary Mathews, Paula Planthaber, Kelly Rosenleaf, Welthy Soni, and Carol Williams. Ann Becker and Associates is once again providing logistical support under the direction of Liz Dooley. Early bird registration, scholarship information, and other important information will be mailed to all AEO members in November, with updates appearing monthly in the Exchange.

CONFERENCE TOPIC AREAS

Each of the seven specific topic areas has a contact person on the planning committee. If you'd like to discuss your proposal prior to submission contact one of the following.

Intro. to Microenterprise (AEO's Training Institute for newcomers)

Mary Mathews
TEL: 218-749-4191

Policy

Joyce Klein
TEL: 703-243-0573
Welthy Soni
TEL: 540-628-9188

Entrepreneurial Training

Phil Black
TEL: 919-715-2725
Susan Brown
TEL: 916-938-2658

Management & Org. Development

Kelly Rosenleaf
TEL: 406-543-3550

Program Evaluation

Chris Giallongo
TEL: 916-938-2658

Business Lending

Paula Planthaber
TEL: 617-450-0420

Program Design

Mary Mathews
TEL: 218-749-4191

AEO Exchange

STANDING COMMITTEES

The following are highlights from committee workplans for 1996. Additional workplans will be published in future issues of the Exchange. Comments from members are strongly encouraged.

Policy Committee

Purpose: to develop, support and educate AEO members and others on policy issue concerning self-employment and microenterprise. The committee will put special effort into developing better linkage with the Practitioner Support Committee in order to build the capacity of members to engage in advocacy and policy development at the federal and state and local level. The Linkage with Practitioner Support subcommittee was established for this purpose. Subcommittees will be focusing on particular areas for projects and expansion of efforts.

Subcommittees

Linkage with Practitioner Support

Chair: Welthy Soni
TEL: 540-628-9188

Networking and Communications

Chair: Chris Sikes
TEL: 413-774-4033

Workplan: to develop a system using E-mail and fax to communicate with AEO members systematically and rapidly.

Women-Owned Business

Co-Chair: Kathy Keeley
TEL: 301-951-4895
Co-Chair: Etienne LeGrand
TEL: 415-247-9473

Workplan: to advocate for increased opportunities for women business owners

through active collaboration with the NWBC, SBA/OWBO, and the Interagency Committee on Women's Business Ownership.

Link with the International Microenterprise Coalition

Co-Chair: Chris Weiss
TEL: 304-344-8855
Co-Chair: Joyce Klein
TEL: 703-243-0573

Workplan: to facilitate AEO's involvement in global issues affecting microenterprise, to learn from and contribute to the burgeoning international peer exchange, and to serve as the U.S. voice for microenterprise in the international community.

In addition, there are several subcommittees which focus specifically on areas of federal legislation and regulation that affect microenterprise. Details of their workplans will appear in a future issue.

SBA Microloan

Chair: Phil Black
TEL: 919-715-2725

DOL/JTPA/UI

Chair: Bonnie Dallinger
TEL: 307-587-8800

Community

Reinvestment Act

Chair: Kathy Tholin
TEL: 312-427-8070

Welfare Reform/IDA

Co-Chair: Bob Friedman
TEL: 415-495-2333
Co-Chair: John Else
TEL: 319-338-2331

CDBG

Co-Chair: Jay Smith
TEL: 415-554-876
Joyce Klein
TEL: 703-243-0573

FmHA

Chair: Kevin Hennessy

TEL: 315-781-3287

Members who are interested in serving on a subcommittee or working with the Policy Committee should contact:

Chair: Ellen Golden
TEL: 207-882-7552
FAX: 207-882-7308

Public Relations & Awareness

Purpose: to raise awareness of the microenterprise strategy and role of AEO in the fields of microenterprise, economic development, social services, and poverty alleviation, as well as with policy makers, funders and the public.

Special focus for the coming year will include:

- Revision, updating and distribution of membership and strategic plan brochure, Glossary of Terms, and position papers;
- Development and distribution of the vision for AEO and related working papers, Bank Linkages Report and brochures, general microenterprise brochures;
- Development of curriculum materials for use in the Practitioner Support Program;
- Expansion of distribution of the AEO Exchange;
- Development of a AEO media packet and regular distribution of news releases;
- Creation and maintenance of a media data base and establish frequent contact;
- Maximize opportunities for press exposure, for example, by inviting press to the annual conference; and

- Develop an "awards" strategy as a vehicle for promotion of microenterprise.

This committee is actively seeking members. For more information, please contact:

Chair: Kelly Rosenleaf
TEL: 406-543-3550
FAX: 406-721-4584

SBA CUTS

continued from page 1

Call Republican members of the House and encourage them to contact Senator Rogers in support of maintaining the House's recommended appropriation level for the SBA Microloan appropriation.

Key Representatives to target:

Dickey (R-AR)
Porter (R-IL)
Kolbe (R-AZ)
Longly (R-ME)
Coble (R-NC)
Skeen (R-NM)
Taylor (R-NC)
Lightfoot (R-IA)

Contact: Alison Feighan
Rapoza Associates
TEL: 202-393-5225
FAX: 202-393-3034

Other Cuts

The NWBC and the Women's Demonstration Program were zeroed out. Early in 1995, AEO was appointed as an organizational representative to NWBC, and strongly supports its mission.

A number of AEO members receive support through the Women's Demonstration Program. Please contact your senators to let them know these cuts are unacceptable.

Contact: Amy Millman
NWBC
TEL: 202-205-3850
FAX: 202-205-6825

AEO Exchange

FUNDING ALERT

Source: The Ms. Foundation for Women's Collaborative Fund for Women's Economic Development

Deadline: September 29 for Letters of Intent.

The Fund is issuing a Call for Letters of Intent for the second grant round. Letters of Intent will be due on September 29. The Collaborative Fund supports enterprise development programs that benefit low income rural and urban women, especially women of color and women making the transition from public assistance. Please call to request guidelines.

Contact: Brenda Bushy
Ms. Foundation for Women
TEL: 212-742-2300 X 317

UPCOMING EVENTS

The First National Conference on IDAs

When: November 13-15

Where: Chicago, IL

Organized by CFED and the Center for Social Development at Washington University.

Conference goals:

- Increase the number and quality of State and Community IDA demonstrations and
- Maximize the lessons learned from those demonstrations.

Contact: Ann Becker and Associates
TEL: 312-263-2383
E-MAIL: 76325.2721@compuserve.com

Upper Midwest Regional Meeting

When: November 16 and 17

Where: Chicago

Contact: Michael Maroney

TEL: 402-571-3100

FAX: 402-571-4540

AEO PERSONALS

Carol A. Williams Named Director of Growth Fund

Carol Williams, AEO Board Member, was named Director of the Ben Franklin Enterprise Growth Fund. The Fund was established in 1993 to make capital available to low-income minority and women business owners.

ADDRESS CORRECTION

Bonnie Dallinger
TEL: 307-587-8800*

FAX: 307-527-6439

*Please call Bonnie to let her know she has a fax waiting.

AEO CLASSIFIEDS

Position: Executive Director/CEO for a new, nonprofit rural development initiative in east central South Dakota.

Description: Board development, liaison and support, staff recruitment, resource development for a USDA Enterprise community and technical Support for small business development.

Qualifications: Demonstrated ability to lead an innovative community-based rural development effort.

Closing Date: September 30, 1995

Contact: Robert Hull or Andrea Torgerson
NESDCAP
414 E. 3rd Ave.
Sisseton, SD 57262
TEL: 605-698-7654

Deadline for next issue October 7. Send to M.L. Egan 264 S. Milton St. St. Paul, MN 55105

TEL: 612-224-3076 FAX: 612-224-4570 E-mail: mlegan612@aol.com

Association for Enterprise Opportunity
70 East Lake St.
Suite 520
Chicago, IL 60601

ADDRESS CORRECTION

REQUESTED

◆ **AEO Board of Directors** ◆
1994-95

Kathryn S. Keeley, Chair AEO Board of Directors
Mayor's Office, Minneapolis, MN

Hazel J. Anthony
Jeanne Anthony Designs, Chicago, IL

Jeffrey Ashe
Working Capital, Cambridge, MA

Marcelo Elissetche
Latino Economic Development Corp., Washington, DC

Connie E. Evans
Women's Self-Employment Project, Chicago, IL

Ellen Golden
Coastal Enterprises, Inc., Wiscasset, ME

Forescee Hogan-Rowles
Community Financial Resource Center, Los Angeles, CA

Susie M. Johnson
*Bronx Overall Economic Development Corp.,
The Bronx, NY*

Christopher Just
Mountain Microenterprise Fund, Asheville, NC

Eileen Lunderman
Socingu Enterprise Center, Mission, SD

Mary Mathews
Northeast Entrepreneur Fund, Virginia, MN

Mike Roberts
First Nations Development Institute, Fredricksberg, VA

Kelly Rosenleaf
*Montana Women's Economic Development Group,
Missoula, MT*

Eugene Severens
Nebraska Microenterprise Partnership Fund, Rosalie, NE

Julia Vindasius
Good Faith Fund, Pine Bluff, AR

◆ ◆ ◆ ◆ ◆
Christine M. Benuzzi
AEO Executive Director, Chicago, IL

AEO believes...

...in creating, expanding and supporting economic opportunities and choices for individuals and communities with limited access to economic resources.

...that all individuals have a right and the capacity to participate in the economy according to their values and beliefs.

...that it represents a field that is emerging, broad-based, with diverse values, approaches, and program strategies representing local choices.

...its strengths as an organization are built upon inclusiveness and participation from practitioner organizations, support organizations, and individuals.

...that acceptance and acknowledgment of the differences among members are part of our learning process and our energy for creating change.

...that it must practice and model real diversity in all of its organizational actions.

**Association
for
Enterprise
Opportunity
(AEO)**

Association for Enterprise Opportunity
320 North Michigan Ave., Suite 804
Chicago, IL 60601

Voice: (312) 357-0177
FAX: (312) 357-0180

Who Joins AEO?

AEO membership is open to practitioners, individuals, public agencies, funders and others who share in AEO's mission. AEO's services focus on the needs of its practitioner members. Current membership includes:

- ◆ Self-employment and microenterprise programs
- ◆ Federal, state and local government agencies
- ◆ Community development groups
- ◆ Education and training organizations
- ◆ Technical assistance providers
- ◆ Financial institutions and loan funds
- ◆ Public and private foundations
- ◆ Universities and colleges
- ◆ Policy institutes
- ◆ Minority and women's organizations
- ◆ Small enterprise owners

For membership questions and application information, contact AEO's office.

AEO Mission

The Association for Enterprise Opportunity (AEO) is a national trade association of microenterprise development organizations. It provides its members with a forum, information and a voice to promote enterprise opportunity for people and communities with limited access to economic resources.

May, 1994

AEO Benefits and Activities

- ◆ **Annual conference.** All members are invited to attend and participate in AEO's annual conference at discounted and "early bird" rates. The conference focuses on the needs of practitioner members and attracts over 300 participants. The conference includes technical training, program design, and policy workshops.
- ◆ **AEO Exchange.** AEO's monthly newsletter contains up-to-date information on the microenterprise field including: policy information, AEO committee activities, job postings, event announcements, and resource reviews.
- ◆ **Regional conferences.** AEO assists in the organizing of regional meetings across the country. These regional meetings attract 30-50 participants and facilitate staff and program training that is conveniently located and less costly.
- ◆ **Publications.** AEO publishes a membership directory and other resource guides which are available to members at reduced rates.
- ◆ **Advocacy.** AEO, through its national board and staff, members, and Washington consultants, keeps current on policy opportunities and provides important input into the public policy.

To Join AEO

Please enter a one-year membership in the following category:

- Individual\$50.00
- Organizational**\$135.00
- Supporting.....\$250.00-500.00
- Sustaining.....\$500.00-1000.00
- Sponsoring\$1000.00-5000.00
- Underwriting\$5000.00+

Amount enclosed \$ _____

Name of individual or organization

Address

City State Zip

Telephone FAX

***Organizational members are entitled to three voting representatives for AEO decision making, board of director elections and "AEO Exchange" mailings. If you have joined as an organizational member, please indicate your two additional representatives below:*

Second representative

Third representative

Please make your check payable to:

Association for Enterprise Opportunity (AEO)
320 N. Michigan Ave., Suite 804
Chicago, IL 60601

MAY 14

ASSOCIATION FOR ENTERPRISE OPPORTUNITY

70 E. Lake St.

Chicago, IL 60601

Telephone: (312) 357-0177

Fax: (312) 357-0180

March 12, 1996

Dear Ms. Vermeer:

although we haven't met yet I have heard your name mentioned in numerous quarters as a great supporter of Mrs. Clinton's microenterprise agenda. Please allow me to add my thanks to those of my colleagues in this field who are deeply appreciative of your efforts on our behalf.

All of us are very excited about the possibility of Mrs. Clinton attending our conference -- please just let me know if you need additional info. I will look forward to talking with you.

Respectfully,

Chris Benuzzi

Anonymous Awards Program

ASSOCIATION FOR ENTERPRISE OPPORTUNITY

70 E. Lake St.

Suite 620

Chicago, IL 60601

Telephone: (312) 357-0177

Fax: (312) 357-0180

March 12, 1996

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Ave., N.W.
Washington, DC 20500

Dear Mrs. Clinton:

It is with great pleasure and respect that the Association for Enterprise Opportunity (AEO) extends to you this invitation to serve as AEO's Keynote Speaker at our Sixth Annual Conference and Membership Meeting scheduled for May 1-4, 1996 in Providence, Rhode Island. AEO is the national trade association of more than 500 microenterprise development organizations serving thousands of economically disadvantaged entrepreneurs across the country. In addition, AEO represents the U.S. microenterprise agenda in the growing international community. Enclosed is descriptive information about AEO and the upcoming conference.?

There are several compelling reasons which would make your attendance at this year's conference especially timely. We would consider it a great honor to publicly salute the efforts of you, the President, and the many federal employees in the Clinton Administration who actively support microenterprise development. However, we are most interested in calling attention specifically to your efforts. Our members are especially appreciative of your leadership in microenterprise development over the years, and for being among the earliest of individuals calling public attention to a then-unknown and untested strategy that provides an important opportunity for economic self-reliance. You are this movement's most noted champion! Our members would also like to salute you for your efforts related to the Beijing Conference and the commitments you made there to further microenterprise development.]? award?

Because of your expertise and experience in these areas, our members would be especially interested in learning more about your vision for microenterprise development in the U.S., as it would provide them with great inspiration as they carry out this important work in the months and years ahead. Furthermore, updates on the Presidential Awards Program and the Interagency Microenterprise Initiative Program you have established would be of great interest to our members. We are especially pleased to report to you that AEO anticipates working closely with the CDFI Fund on these

March 12, 1996
Mrs. Hillary Rodham Clinton
Page Two

programs and are confident that you will be able to provide important progress reports about them during your remarks.

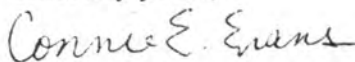
Other friends of AEO joining in this invitation include the Rhode Island Democratic Committee, Senator Claiborne Pell, and Representatives Patrick Kennedy and Jack Reed. We also know that Rhode Island Governor Lincoln Almond and Providence Mayor Vincent A. Cianci would be honored with your presence. Also joining us in this invitation are the conference's many sponsors including the Charles Stewart Mott Foundation, The Ford Foundation, The Calvert Group, The Levi Strauss Foundation, Citibank, The Federal Reserve Bank of Boston, Fleet Community Development Corporation, Citizens Bank, and the Neighborhood Reinvestment Corporation.

You may be interested to know that Jack Litzenberg of the Mott Foundation, who is also Chair of the CDFI Fund's Advisory Board, has accepted our invitation to serve as the conference's other major speaker. As part of his discussion he will address the critical role that CDFIs will play in microenterprise development in the years ahead; a subject we know is of special interest to you.

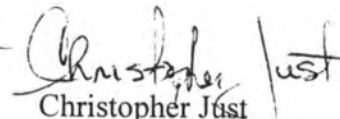
We are pleased to make every possible attempt to accommodate your schedule. We currently have full group sessions scheduled for Wednesday, May 1 at 6:00-8:00pm, Thursday, May 2 at 8:30am-9:45am, Friday, May 3 at 11:45am-2:15pm, and Saturday, May 4 at 8:30-10:30am. Our preferred time slots are Wednesday and Thursday because these are the times slots during which we believe we can most fully showcase your participation. However, if none of these times are convenient for you we would be pleased to work with your office to make alternate arrangements.

Thank you very much for your kind attention to this invitation. Again, we would consider ourselves most privileged if you could join us. We stand ready to answer any questions your office may have regarding details.

Sincerely yours,



Connie E. Evans
Chair, AEO Board
of Directors



Christopher Just
Chair, AEO Conference
Planning Committee



Christine M. Benuzzi
AEO Executive Director

enclosures

AGENDA

Meeting Regarding the Presidential Awards for Microenterprise Excellence Program
April 18, 1996 4:00 p.m., OEOB, Room 100

1. Overview of Awards Program Development Process

- Research: best practices in microenterprise and comparable award programs
- Consultation: federal and non-federal microenterprise experts

categories
select = process
define eligibility

2. Awards Program

- Categories
- Criteria
- Selection Process
- Time-Frame

3. Outstanding Issues and Questions

- Defining eligibility. Defined by size, type, location, etc. Any concerns regarding the definition of microenterprise; are awards limited to micro-lenders only; eligibility of quasi-governmental organizations; and treatment of organizations with multiple sites?
- What resources will be available for the evaluation process and the Awards presentation?
- Announcing the Awards program. When? By whom? In what setting?
Possible options: First Lady via video tape or Secretary Rubin via satellite at AEO conference.
- Finalize expected time-frame for Awards program. What else do we need to do before announcing? Are the target dates for application deadline, selection, award ceremony, etc. realistic?

The following summary of the Presidential Awards for Microenterprise Excellence has been developed after consultation with the following representatives of federal microenterprise programs and non-profit microenterprise support organizations.

Ron Ashford, Office of Public and Indian Housing, HUD
Marta Brenden, Office of Refugee Resettlement, HHS
Carmel Clay-Thompson, Office of Refugee Resettlement, HHS
Monique Cohen, Office of Microenterprise Development, AID
Nolan Lewis, Office of Community Services, HHS
Richard Muller, Employment and Training Administration, DOL
Jody Raskind, Office of Financial Assistance, SBA
Richard Saul, Office of Community Services, HHS

Peggy Clark, Aspen Institute
Bob Friedman, Corporation for Enterprise Development
Brandee Galvin, Citicorp Foundation
Sarah Gould, Ms. Foundation
Kathy Keely, Calvert Social Investment Foundation
Mike Lipsky, Ford Foundation
Jack Litzenberg, Charles Stuart Mott Foundation

Since the federal representatives are likely to serve as key contact points for the program, CDFI Fund will plan to hold a briefing for them and all other interested federal program representatives prior to the official announcement of the award program.

Outline of Application

- I. Introduction: welcome, letter from President - *what awards are why they're imp't*
- II. General Information: goals of awards, eligibility criteria (*not yet finalized*), overview of selection process, benefits to applicants, expectations, terms used (*not attached*), selection criteria, scoring system, time-line
- III. Award Categories
- IV. Description of Application Materials/Requirements and Data Sheets (*not attached*)

Goals of Awards (*draft*)

The Presidential Awards for Microenterprise Excellence were developed as part of the U.S. commitments following the United Nations Fourth World Conference on Women held in Beijing, China, in September 1995. However, they reflect a longer-held interest in advancing the role microenterprise development can play in enhancing the entrepreneurial opportunities of all Americans. The Awards, by recognizing outstanding microenterprise development and support programs, seek to advance "best practices" in the field, thereby enhancing the capabilities of all organizations interested in promoting microenterprise.

Award Categories

As many as two and as few as no awards will be made in each of the following categories. Rather than applying for multiple awards, applicants are strongly recommended to apply in only the category/categories in which they have the greatest strength.

A. Excellence in program innovation

This award recognizes that program which best reflects the next level of development for the field, and/or "a fresh approach to a problem of significant concern" to the field. Primary concerns in determining this award are innovation of the program, the applicability of the innovation to other microenterprise programs, and the ability of the innovation to affect the long term success of existing microenterprises and/or potential microentrepreneurs. The innovation may include outreach to new types of entrepreneurs. *As many as two awards to different but equally exceptional innovations may be made.*

B. Excellence in program delivery

1. Access to credit Awards a microenterprise development program with outstanding success toward the goal of broadening the availability of capital to microentrepreneurs, through providing loans, providing loan guarantees, or through another mechanism. Excellence in this category will be judged based on a high volume of activity, high quality of loans made relative to the target group and agency mission, and/or the level of self-sufficiency in lending activities.

2. Developing entrepreneurial skills The winning program in this category will demonstrate effectiveness and creativity in providing training and technical assistance toward the goal of developing successful microentrepreneurs.

3. Poverty alleviation This award will recognize that program which best exemplifies development of especially unique and/or effective methods toward the goal of lessening poverty through developing microentrepreneurs, by addressing the needs of individuals who have had the greatest barriers to entrepreneurship.

C. Excellence in support for microenterprise development

1. Public or private support for microenterprise development Awarded to a public agency, private foundation, or corporation (other than a financial institution) which has provided strong and/or innovative support for microenterprise development. This support may be expressed through financial support for microenterprise development programs or other institutions supporting the microenterprise industry, but also through especially useful technical and in-kind assistance, drawing upon the private or public program's own expertise. Both innovation and the extent of the commitment will be valued in making this award.

2. Financial institution support/partnership Recognizes a financial institution which has shown outstanding support for microenterprise development. This award recognizes both traditional and innovative ways in which traditional financial institutions may support microenterprise through providing assistance either to microenterprise development programs or to their clients. Both innovation and the extent of the commitment will be valued in making this award.

Selection Criteria

1. Demonstrated effectiveness/success in specific area of excellence

Award winners will be those applicants which can demonstrate, qualitatively and quantitatively, having achieved goals in one of the specific categories. Clear measures of the impact of the program such as survey data or third party evaluations of the program will be especially valued (contact information should be provided for any evaluators). Also considered will be the demonstrated need for the applicant's program. Primary indicators, both qualitative and quantitative, for each of the categories follows.

Excellence in program innovation. Innovation will be determined by the degree to which the program demonstrates "a leap of creativity." Creativity may be a new use of existing program elements; an innovation in program administration or management; a policy innovation; or a significant change in the process of delivering services. Applicants will describe how the innovation represents a departure from previous practice (of the program or of other programs) and how the innovation successfully addresses a major issue or problem in the field or of the program.

Excellence expanding access to credit. Applicants in this category must provide understandable, accurate, and verifiable data on the volume of their activities. Financial data for lending aspect of the program should be separate from the cost of providing other services. Measures include: total amount lent, outstanding portfolio size, average loan terms and sizes, number of loans, repayments, defaults, charge-offs, and delinquencies.

Excellence in developing entrepreneurial skills. In addition to describing the overall training strategies of the program, applicants will describe any ways in which non-traditional needs of entrepreneurs are met. Staff capabilities in providing these services will be addressed. Applicants will describe the expected training course for a typical client (including time-frame from start to completion). Applicants will show outcomes which demonstrate the impact of the training on the success of clients and describe any especially innovative or useful partnerships and/or use of outside resources to provide training. Measures include: number of clients entering and finishing training and business survival and growth rates.

Excellence in poverty alleviation. This category will examine how a program's lending and/or training services are designed specifically to meet the needs of low-income clients. Applicants will explain, using the most recent information available on income and other barriers, how clients are found to be eligible for the program and why the target population is in need of the program. Applicants' explanations will be used to evaluate the need of the population and the difficulty in serving it. Applicants will detail the extent to which the program has had a sustained impact on its clients, including gains in income and assets, decreased reliance on public assistance, decreased poverty and unemployment, and any other measures.

Excellence in public or private support for microenterprise development. Applicants will describe activities which exemplify this support and discuss any formal, mission, or structural support for microenterprise development. Additionally, applicants will explain the reasons and history for the support and any changes over time. Measures include amount and type of financial contributions and amount of staff time contributed. The quality of the support toward development of the microenterprise field and/or a microenterprise program will be strongly valued.

Excellence in financial institution support/partnership. Applicants will describe activities which exemplify this support/partnership and discuss any formal, mission, or structural links and the degree of interaction between the financial institution, microentrepreneurs, and any intermediaries. Applicants will detail any unusual/innovative types of services provided to microentrepreneurs or microenterprise organizations. Additionally, applicants will explain the reasons and history for the partnership/support and any changes over time. Measures include: number of microentrepreneurs served, amount of financing provided to microenterprise programs, and types and amount of services provided to microentrepreneurs. The quality of the support toward development of the microenterprise field and/or a microenterprise program will be strongly valued.

2. Financial health and organizational stability

No awardee will be selected that has not attained an acceptable level of financial and organizational stability so as to ensure future existence of the program. This level will be determined by analysis of descriptive and quantitative data provided and financial statements submitted by semi-finalists. Indicators of financial stability include: net assets unrestricted, positive; strong cash position; net assets growing over time; healthy debt:equity ratio; revenues greater than expenses; and revenues stable or growing over time. Indicators of organizational stability will be assessed both from qualitative descriptions provided by semi-finalists (in the essays below) and from quantitative measures, including: the experience of management, staff, and governing board and the stability of funding sources.

3. Innovation and program management excellence

Innovative ways of solving problems and continual striving to improve meeting client needs are hallmarks of an excellent program. Any measures used to evaluate problems and existing services and make improvements should be described. Success in creativity of solutions and management excellence will be determined by descriptive information provided in the essay questions below, both about the excellent program element and about the organization as a whole, in the initial and the semi-finalist applications.

4. Transferability and efficient use of resources *ability to be replicated*

Transferability of program successes will be judged by the degree to which the program shows promise of inspiring successful transfer and the extent to which it is adaptable by others. Also considered will be the degree to which the program description enables other programs to learn from it. As scarce resources are a widespread concern, transferability will take into account a program's ability to maximize limited resources, through fundraising, leverage, cost-effectiveness measures, partnerships, or other means. Transferability will be judged primarily by the description provided in the initial application. Efficient use of and innovative means of obtaining resources will be determined from descriptive and quantitative information provided and financial statements.

Selection Process

Two-stage process:

1. Initial application. Will request general information on the organization and the microenterprise program. Review will focus on the specific aspect of excellence.
2. Second round. Semi-finalists will be asked to provide more detailed information, especially about financial history and organizational management. Review will focus on overall quality and viability of the microenterprise program and the parent organization.

Steps:

1. Review of initial applications by CDFI Fund staff to compile consensus list of "semi-finalists" with (prior, informal) input from review panel.
2. Review of second round information from semi-finalists by review panel; panel may include:
 - federal microenterprise program staff
 - federal banking regulator staff
 - federal economic development experts
 - federal minority/women's business advocates
 - non-profit foundation funders
 - corporate funders/other private sector representatives
 - microenterprise researchers
3. Review panel provides comments to CDFI Fund Director.
4. CDFI Fund Director selects winners.
5. Winners announced by President at Microenterprise Excellence ceremony.
6. Hold event for winners to make presentations on their programs.

Expected Time Frame

- | | |
|-----------------------------------|--------------------------|
| 1. Award program announced: | early May |
| 2. Applications available: | by late May |
| 3. Applications due: | mid-July (6 weeks) |
| 4. Semi-finalists notified: | mid-August (4 weeks) |
| 5. Semi-finalist information due: | late September (6 weeks) |
| 6. Winners selected/notified: | late October (4 weeks) |
| 7. Award ceremony to be held: | November or December |

Application Materials

Initial Application

Materials requested in the initial application will provide an overview of the applicant's program and focus on evaluating success in the "excellent" component. Some data on organizational and financial status may be requested to provide context for this evaluation. The initial application will be relatively brief (approximately 10 pages).

1. Applicants will be asked to provide information about the following aspects of the microenterprise development program and (if applicable) the parent organization.

- * Background
- * Resources
- * Goals
- * Strategies
- * Clients/Need
- * Outcomes and Evaluation

2. Applicants will provide the information about the specific category described under Selection Criteria.

Semi-Finalist Application

The information requested of semi-finalists will collect additional details about the program's management, financial history, and the logic and processes of the program, in order to judge its overall quality. Applicants will provide information which will be used to determine whether they have attained an acceptable level of financial and organizational stability. Answers to questions about program management will provide information useful to others wishing to use the winning programs as models.

1. Attach the following:

- a. financial statements for last three years, if possible
- b. current budget
- c. list of references:
 - partner organizations
 - lenders
 - clients
 - peers

2. Answer questions on the following areas.

- a. "success stories" (one or two)
- b. measures which the organization/program uses to evaluate its effectiveness (if any)
- c. program leaders and community support
- d. expertise of staff
- e. future challenges
- f. program management, planning and improvement issues, addressing:
 - * leadership
 - * process management
 - * information
 - * "product" development
 - * strategic planning
 - * client satisfaction
 - * human resources



COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS FUND

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

MEMORANDUM VIA FACSIMILE

DATE: April 17, 1996

TO: Distribution List

FROM: Kirsten S. Moy, Director
Community Development Financial Institutions Fund
Department of the Treasury

SUBJECT: Meeting Regarding the Presidential Awards for Microenterprise Excellence Program

Per our conversation, there will be a meeting tomorrow, April 18, at 4:00 p.m. The meeting will be held at the Old Executive Office Building, Room 100. We will discuss the status of the Presidential Awards for Microenterprise Excellence program and address the outstanding issues regarding the implementation of the program.

Proposed Agenda

I - Overview of Awards Program Development Process:

- Research: best practices in microenterprise and comparable award programs
- Consultation: federal and non-federal microenterprise experts

II - Awards Program:

- Categories
- Criteria
- Selection process
- Time-frame

III - Outstanding Questions and Issues:

- Defining eligibility. Defined by size, type, location, etc...? Any other concerns regarding the definition of microenterprise; eligibility of quasi-governmental organizations; and the treatment of organizations with multiple sites?

- What resources will be available for the evaluation process and the Awards presentation?
- Announcing the Awards program. When? By whom? In what environment?
Possible options: First Lady via video or Secretary Rubin via satellite at AEO conference.
- Finalize expected time-frame for Awards program. What else do we need to do before announcing the program? Are the target dates for application deadline, selection, award ceremony, etc...realistic?

I look forward to seeing you tomorrow. If you have any questions, please do not hesitate to call me, or Bill Luecht in my absence, at 622-8662.

Distribution List:

Michael Barr, Department of the Treasury, 202-622-0073
Katie Button, Office of the First Lady, 202-456-6244
Bill Curry, White House, 202-456-6598
Paul Dimond, White House, 202-456-2223
Connie Dunham, Office of the Comptroller of the Currency, 202-874-5394
Jeannine Jacokes, CDFI Fund
Maurice Jones, CDFI Fund
Joyce Klein, JK Associates, 703-243-0638
Bill Luecht, CDFI Fund
Fe Morales Marks, Department of the Treasury, 202-622-2027
Jean Nelson, Environmental Protection Agency, 202-260-9232
Louisa Quittman, CDFI Fund
Melanne Verveer, Office the First Lady, 202-456-6244
Paul Weinstein, White House, 202-456-7028