



Advancing Entrepreneurial
Readiness Training for
Returning Citizens

TOOLKIT

MAY 2020

Table of Contents

How to Use This Toolkit	2	How to Advocate for Returning Citizens at the Local and National Level	57
Introduction	3	How to Schedule a Meeting.....	58
Pilot Tests in Atlanta, New Orleans and Saint Louis	7	<i>Steps for Scheduling Federal Meetings</i>	58
The Basics for Returning Citizen Entrepreneurial Training	11	<i>Steps for Scheduling Meetings with State or Local Representatives</i>	58
Business and Financial Literacy Resources.....	14	How to Conduct an Office Visit.....	59
Program Development Through a Trauma-Informed Lens	17	Sample Letter to Congress.....	60
Trauma-Informed Tools and Resources	20	Example Advocacy Roadmap: Washington, DC.....	61
Inside Endeavor Ready: Trauma-Informed Care.....	27	Listing of Local and National Services and Resources for Returning Citizens	63
Early Introductions to Credit Building Strategies	31	Northeast Region	64
Credit Building Tools and Resources	33	Southeast Region	65
Inside Endeavor Ready: Credit Building.....	46	Southwest Region	67
The Need for Right-fit Capital	49	Midwest Region	68
Capital Access Recommendations.....	52	West Coast Region	69
Inside Endeavor Ready: Access to Capital	55	National Level Services.....	70
		Glossary of Terms Used	73
		Acknowledgements	76
		About AEO	76
		Partner with Us	76

How to Use This Toolkit

This toolkit provides easy-to-use resources for practitioners offering post-release entrepreneurial training to returning citizens (individuals who were formerly incarcerated). The opportunities highlighted are intended for program managers, funders, and policy makers seeking to learn more effective training approaches or for potential partners looking to improve support to returning citizen entrepreneurs.

The recommendations in this toolkit are most applicable to programming in which participating returning citizens are stable in their reentry journey. Stabilized returning citizens are those who have housing, are meeting parole requirements and are employed with a steady income.

We recognize the complexities of program delivery. The tools and resources provided can be implemented in a variety of contexts. Our hope is that experts utilize these resources to complement and enhance their reentry support services to drive impactful results.

If you have...



20 minutes

Read:

- ✓ Introduction
- ✓ Trauma-informed Tools and Resources
- ✓ Credit Building Tools and Resources
- ✓ Capital Access Recommendations



45 minutes

Read:

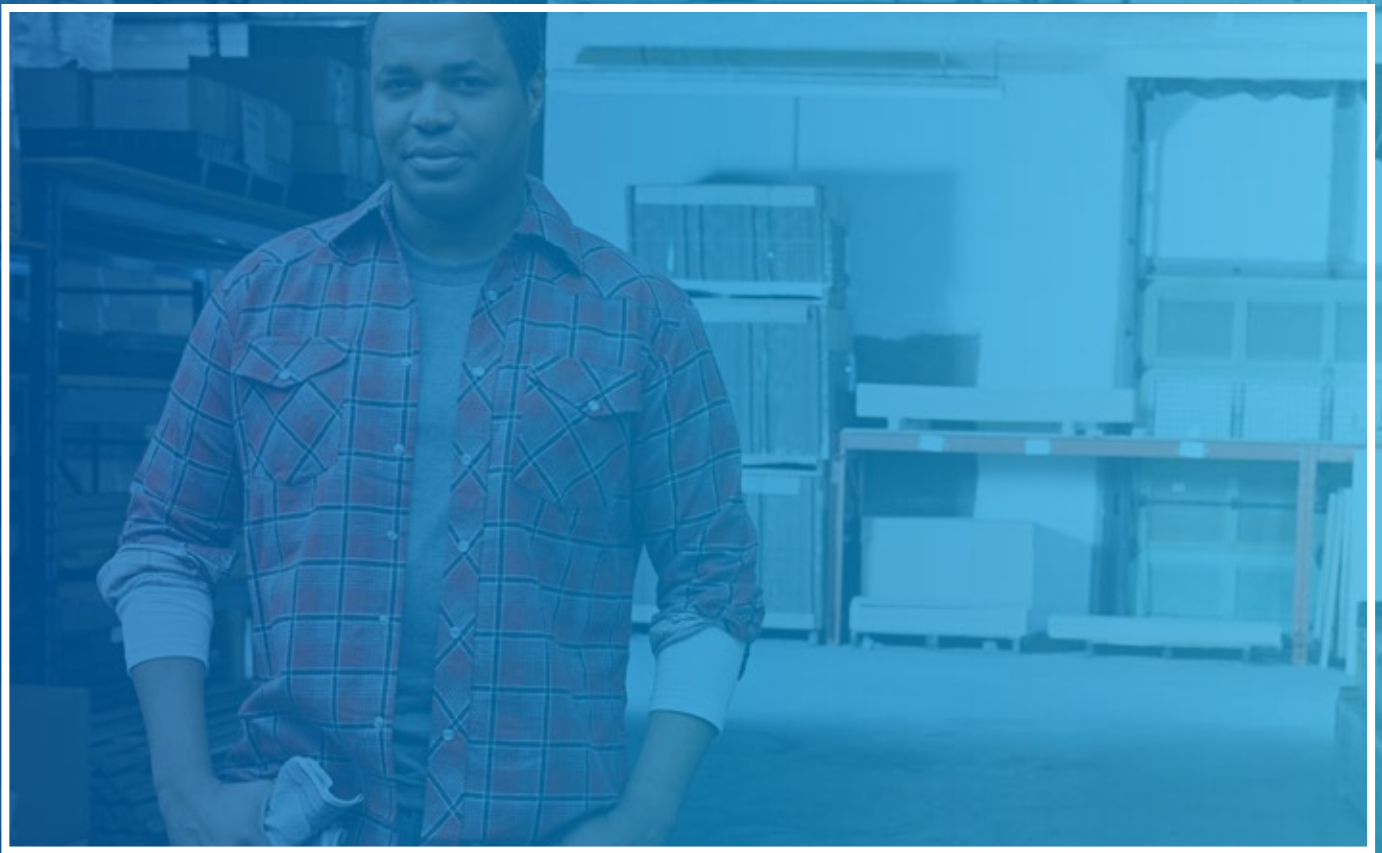
- ✓ Introduction
- ✓ The Basics for Returning Citizen Entrepreneurial Training
- ✓ Program Development Through a Trauma-Informed Lens
- ✓ Early Introductions to Credit Building Strategies
- ✓ The Need for Right-fit Capital



60 minutes

Read:

- ✓ The report from start to finish!



Introduction

With support from Capital One, the Association for Enterprise Opportunity (AEO) launched its Endeavor Ready initiative in April 2019 to identify impactful ways to successfully prepare returning citizens for entrepreneurship.

Returning citizens have paid their debt to society by completing their prison sentence and should be afforded the same opportunities as others to create wealth for themselves and their families.

Research indicates that increased reentry support services and the removal of employment barriers for returning citizens would yield substantial economic benefits for society as a whole. However, for returning citizens ready to make the leap, the current lack of gainful employment options leaves an opportunity for alternative wealth creation through entrepreneurship.¹

Entrepreneurial training programs can offer returning citizens the guidance and structure needed to pursue a business. This toolkit synthesizes key research and pilot findings to outline three strategies to enhance post-release entrepreneurial training programs. These strategies are:

1

Early credit-building opportunities to better position returning citizens to secure capital.

2

Partnerships with institutions that provide **access to right-fit capital** for program participants.

3

A trauma-informed approach in program delivery to help returning citizens gain the confidence and capabilities to proceed on their own.

When combined, these strategies can broaden and deepen the impact of entrepreneurial training programs and increase a returning citizen's chances of building a thriving business.

Between 70 million and 100 million Americans—or one in three—have a criminal record.²

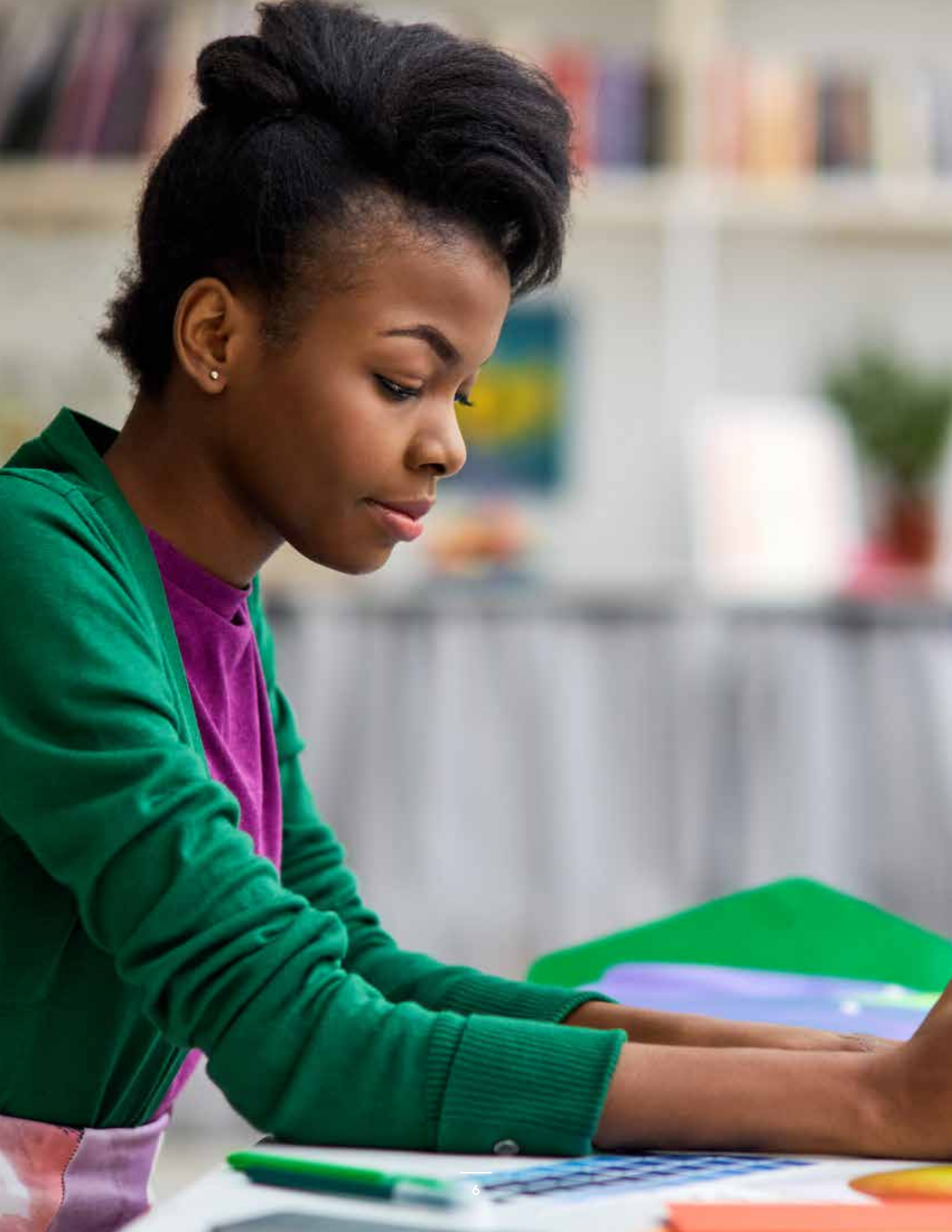


Each year an average of **650,000** people are released from state and federal prisons, often with few resources or employment options.³ Given this significant population size, the ability for returning citizens to attain economic viability has tremendous implications in our communities and the economy.

A recent study found that **the United States poverty rate would have dropped by 20 percent between 1980 and 2004** if not for mass incarceration and the subsequent criminal records that continue to haunt people years after their release.⁴

ENDNOTES

- 1 Median microbusiness wages are greater than—sometimes even double—the minimum wage returning citizens often earn in low skill jobs.
- 2 Friedman, M. (2015, November 17). Just Facts: As Many Americans Have Criminal Records as College Diplomas. Retrieved from Brennan Center for Justice: <https://www.brennancenter.org/our-work/analysis-opinion/just-facts-many-americans-have-criminal-records-college-diplomas>
- 3 United States Department of Justice. (n.d.). Prisoners and Prisoner Re-Entry. Retrieved from United States Department of Justice: https://www.justice.gov/archive/fbci/progmenu_reentry.html
- 4 DeFina, R. H., & Hannon, L. (2009, February 12). The Impact of Mass Incarceration on Poverty. Retrieved from SSRN: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1348049





Pilot Tests in Atlanta, New Orleans and Saint Louis

AEO and its partner organizations conducted a pilot from August to November 2019 to test if the combination and incorporation of three strategies—access to capital, credit building training and a trauma-informed approach—could deepen the success of entrepreneurial training programs aimed at supporting returning citizens.

Selected through a competitive process, AEO partnered with three organizations to serve 40 aspiring and current business owners who are returning citizens. These organizations were:

1

Georgia Micro Enterprise Network, an Atlanta based organization which operates the Reentry from Incarceration through Entrepreneurship Services (RITES) Project to provide business development support services to returning citizens.

2

Justine PETERSEN, a St. Louis-based SBA Microlender that houses a Community Development Financial Institution, operates the Aspire Entrepreneurship Program which expands access to entrepreneurial education and microloans to returning citizens who are parents.

3

The First 72+, a New Orleans reentry services organization that aims to stop the cycle of incarceration by fostering independence and self-sustainability through education, secure housing, stable employment, legal services, health care, and community engagement. Through their Rising Foundations incubator, the First 72+ also provides opportunities for returning citizens to start small businesses.



In addition to selecting three implementing partners, AEO worked with three subject matter experts to provide input on program modifications to best test the hypotheses of the research. These subject matter advisors were:

1

Community Connections, a Washington D.C. based organization that provides behavioral health, residential services, and primary health care coordination for marginalized and disenfranchised people.

2

Credit Builders Alliance a national nonprofit dedicated to building the capacity of nonprofits that help low-to-moderate-income households build strong credit and other financial assets.

3

Rising Tide Capital, a New Jersey based nonprofit that provides business acceleration services, access to loans, and has developed an entrepreneurial readiness curriculum used nationwide.

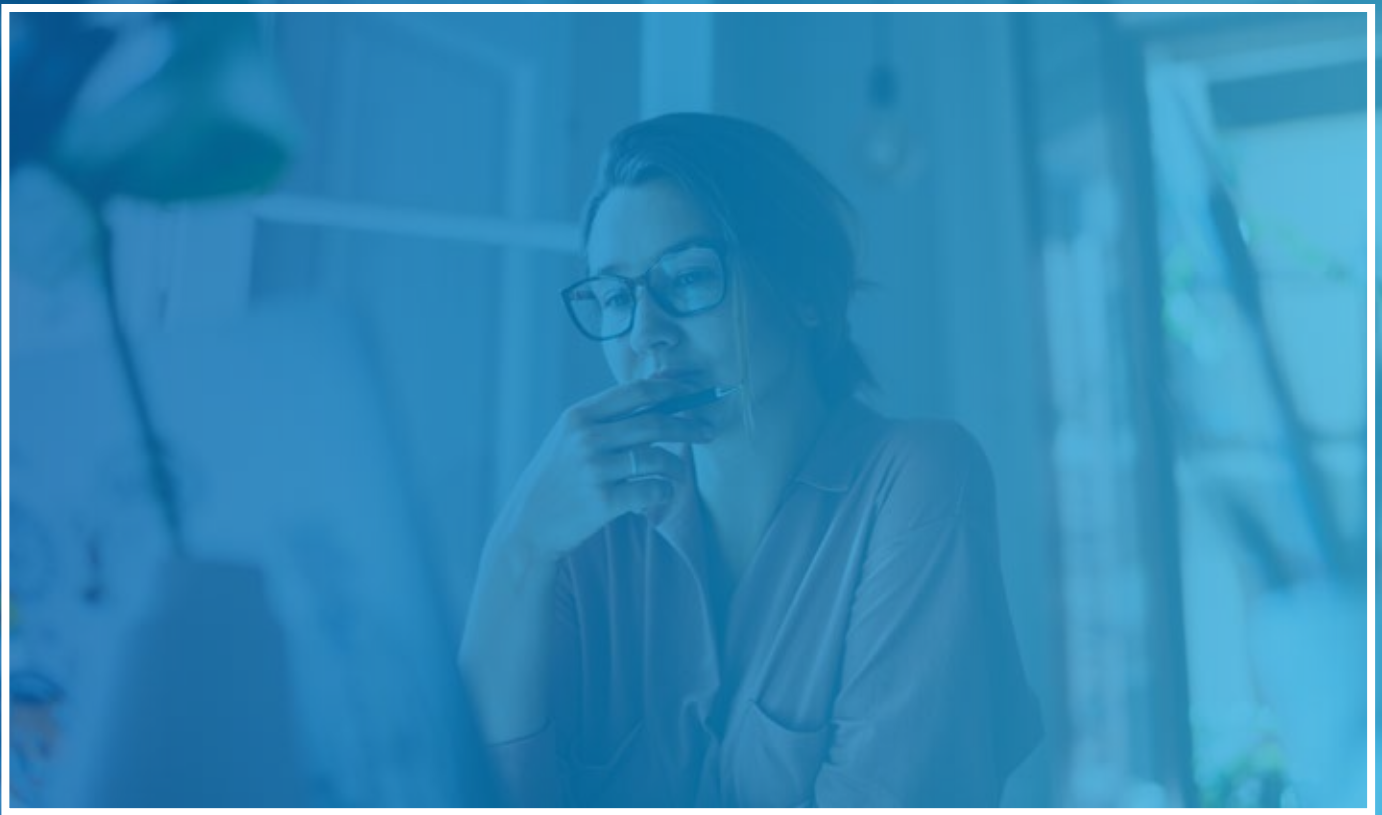


INSIDE ENDEAVOR READY

Look for the **Inside Endeavor Ready** boxes to learn how our implementing partners incorporated credit building, access to capital, and trauma-informed care into their entrepreneurial training programs.







The Basics for Returning Citizen Entrepreneurial Training

To run a business effectively, entrepreneurs must understand and apply various managerial skills daily. Yet to be successful, entrepreneurship requires more than just a business education in which business owners learn to plan, organize, direct, and control the operations of their ventures. Returning citizen entrepreneurs need to gain an entrepreneurial mind-set, improve perceptions of self-worth, sharpen communication skills, and implement project management best practices.

While the exact types of training will likely vary based on a returning citizen's experiences and educational background, examples of popular entrepreneurial training topics include:

1 Entrepreneurial Mindset

An entrepreneurial mindset is a way of thinking. It combines a desire for continued learning and growth with an understanding of how to approach challenges and mistakes. By developing an entrepreneurial mindset, returning citizens gain concepts and skills that will enable them to be more resourceful and adaptable when launching and growing their businesses.

2 Competitive Analysis and Competitive Advantage

A competitive analysis enables entrepreneurs to determine the strengths and weaknesses of competitors in the market. Entrepreneurs can then develop strategies to establish a unique advantage and improve upon their competitor's strategy.

3 Target Market and Market Research

For any business to thrive, entrepreneurs must understand how to reach customers and create a demand for their product(s) and service(s). Without customers, there is no business. When entrepreneurs can define and understand how to reach their target market, they will be on the right path to building a solid foundation for their business.

4 Marketing

Even the most innovative products and services can fail without proper marketing. When entrepreneurs understand key concepts and strategies for digital and print marketing, they can ensure market adoption of their products and services.

5 Pricing Strategies and Sales

As business owners, entrepreneurs must be strategic in setting prices that will generate a profit. Entrepreneurs need to know pricing strategies that will enable them to penetrate the market and generate sales.

6 Budgeting and Cash Flow Management

Businesses are complex and financial health is critical. Learning how to budget and how to keep an active pulse on the financial health of a business enables an entrepreneur to allocate funds based on expected expenditures while also managing the actual inflows and outflows of money through a cash flow statement.



7 Capital

At some point, entrepreneurs will need to access capital to launch and grow a business. Entrepreneurs need to know which capital options are available and how best to position themselves for discussions with funders.

Capital partners include, but are not limited to, Community Development Financial Institutions (CDFIs) or other mission-based lenders that provide affordable loans to help low-income and underserved entrepreneurs. Entrepreneurs can also look into capital options such as:

- Grants;
- Business loans guaranteed by the Small Business Administration (SBA) like the 7(a) microloan and 504 loan programs; and,
- Equity and debt financing from SBA-backed Small Business Investment Companies.

8 Business and Legal Structures

Returning citizen entrepreneurs need to choose a business structure that provides them with the right balance of legal benefits and protections. The business structure chosen affects taxes, how profit is earned and more.

9 Business Plan Development

Developing a business plan is an important tool to help guide an entrepreneur's decisions. It provides a roadmap toward achieving goals and can also help lenders, investors, partners, and others understand how money will be made.

As with any programming, trainings should be relevant and meaningful to each returning citizen. By incorporating a variety of learning experiences into program delivery,

entrepreneurs of various learning styles (e.g. visual, auditory, kinesthetic, etc.) can better absorb information presented. A diversified engagement style could include the use of videos, formal presentations paired with discussions on key business principles, small group exercises and, case studies that highlight successful business practices of other returning citizens who have achieved economic self-sufficiency through entrepreneurship.

BUSINESS AND FINANCIAL LITERACY RESOURCES

Whether the preference is to engage in online or classroom-based trainings, there are thousands of business and financial literacy resources available for entrepreneur and practitioner use. This section highlights open-sourced and licensable curricula to support business and financial literacy development.

DreamBuilder

DreamBuilder offers online courses that teach women the skills and knowledge needed to start and grow a small business. Courses are interactive and offered in both Spanish and English. While entrepreneurs can access the curriculum at any time via an online platform, practitioners can also partner with DreamBuilder to provide courses directly to their clientele.

—————
To learn more, visit:
<https://dreambuilder.org>

EVERFI

EVERFI is an online education platform that offers small business financial education for entrepreneurs. EVERFI also partners with community organizations to provide online content and to help them scale and increase their impact.

—————
To learn more, visit:
<https://everfi.com>

Grow with Google

Grow with Google provides entrepreneurs free training, tools, and resources to help grow skills, a career and/or a business. Organizations can partner with Google to receive free resources to teach entrepreneurs the skills needed to grow their businesses.

—————
To learn more, visit:
<https://grow.google>

Ice House Entrepreneurship Curriculum

Inspired by *Who Owns the Ice House: Eight Lessons from an Unlikely Entrepreneur*, written by Clifton Taulbert and Gary Schoeniger, the 12-week Ice House curriculum is an experiential, problem-based course designed to empower learners by exposing them to entrepreneurial thinking. The goal of the curriculum is to enable entrepreneurs to develop creativity, critical thinking, effective problem solving, teamwork, and other entrepreneurial skills. The curriculum is less focused on formal business development, instead teaching entrepreneurs how to seize opportunities to provide marketable and in-demand products and services.

To learn more, visit:
<https://elimindset.com/entrepreneurship-programs>

Junior Achievement

For organizations working with juveniles who are returning citizens, Junior Achievement provides extracurricular programming to teach young people the concepts of entrepreneurship, workforce readiness, and financial literacy.

To learn more, visit:
www.juniorachievement.org

Money Smart for Small Business (MSSB)

MSSB is an instructor-led curriculum developed jointly by the Federal Deposit Insurance Corporation (FDIC) and the Small Business Administration (SBA). The 13-module curriculum provides introductory business training for aspiring and existing entrepreneurs on the basics of starting and growing a business. The curriculum serves as a foundation for more advanced training and technical assistance. Organizations can partner with the SBA to deliver the free curriculum.

To learn more, visit:
<https://bit.ly/2Tmp72n>

Rising Tide Capital's Community Business Academy

Rising Tide Capital's Community Business Academy is a 12-week course offering hands-on training in business planning and management. The course provides entrepreneurs with business fundamentals like budgeting, marketing, bookkeeping, and management.

To learn more, visit: <https://programs.risingtidecapital.org>

Small Business Administration Learning Center

The SBA offers a variety of online courses to help entrepreneurs start and run their business.

To learn more, visit:
www.sba.gov/learning-center





Program Development through a Trauma-Informed Lens

Studies show that more than half of male inmates⁵ and nearly three-quarters of incarcerated women have experienced some form of trauma.⁶ Other studies have observed that the psychological effects of incarceration last well after an individual is released.⁷

Trauma can affect the way a person learns and engages with others. It can affect the brain and a multitude of stress responses; as such, learners who have experienced trauma may have weakened executive functioning skills like impulse control, working memory, and mental flexibility. Trauma survivors may also have challenges with organization and psychological hindrances to learning. As a result, returning citizens who have unaddressed trauma may have difficulty completing a program and launching a business. There may also be a lack of recognition between trauma and the significant effects it has on their life; either they do not draw connections between their trauma histories and their presenting problems or they avoid the topic altogether.⁸

Practitioners should anticipate that their returning citizen participants have experienced some form of trauma in their lives.⁹ While trauma-informed approaches to program delivery are more common in behavioral health settings than with human and social assistance programs,¹⁰ our research and pilot show that incorporating a trauma-informed approach into program development and delivery can result in improved entrepreneurial training outcomes. A care-centered framework enables participants to better absorb and act on material, creating a sense of control and empowerment.¹¹



A trauma-informed approach does not mean that staff need to be clinician

A trauma-informed approach to program delivery suggests that healing and recovery can be facilitated through interactions with nonclinical staff, especially staff who have experienced and recovered from similar traumas.¹² As specified by the U.S. Department of Human and Health Services, a trauma-informed approach reflects the way in which an organization understands trauma and therefore responds by applying trauma-informed principles throughout various levels of its programming and operations; from how staff interact with participants during service delivery to how an organization operates as a whole. By understanding the history of past and current trauma in the lives of clients, practitioners can use the information to better design service systems that accommodate the needs of trauma survivors to facilitate participation in programming.¹³

Domains in which trauma-informed care can be implemented

Trauma-informed approaches can be implemented at various organizational levels; from an administration change across the entire organization to ensuring that staff are trained on the principles of trauma-informed care. The Substance Abuse and Mental Health Services Administration (SAMHSA) has identified ten key domains that can be reviewed when considering trauma-informed measures.¹⁴ They are:

- 1 Governance and leadership
- 2 Policy and protocols
- 3 Physical environment of the organization
- 4 Engagement and involvement of clients
- 5 Cross sector collaborations
- 6 Screening, assessment and treatment service referrals
- 7 Training and workforce development
- 8 Progress monitoring and quality assurance
- 9 Financing
- 10 Evaluation

**For more information on these key domains, see SAMHSA's Concept of Trauma and Guidance for a Trauma-Informed Approach in the step one tools section of this toolkit on page 20.*

Trauma-Informed Tools and Resources

Intentionally addressing barriers to entrepreneurship caused by trauma will better enable returning citizens to create more successful business ventures and generate wealth. The following six steps provide guidance and tools practitioners can utilize to support trauma survivors in achieving their business goals.

STEP ONE



Have a conversation with your team.

Evaluate current training programs through a trauma-informed lens and then design a plan for action.

Organizations can become trauma-informed by changing how their programs are administered through the adoption of screening practices, inclusion of staff trainings, and implementation of new policies and procedures. In doing so, practitioners can shift the way they work with returning citizens to better understand the prevalence and impact of trauma on entrepreneurial success, and then define strategies to overcome those trauma related barriers.

For services outside the scope of an organization's mission (i.e. mental health counseling), practitioners can identify external community resources available to returning citizens. Understanding what your organization can and cannot do in-house helps set the stage for how it will need to engage community partners to provide trauma-related services.



Tools for establishing Trauma-Informed Approaches



The SAMHSA GAINS Center has developed free-resources to support practitioners in developing trauma-informed response when working with individuals involved in the criminal justice system. To learn more, review **SAMHSA's Treatment Improvement Protocol Manual on Trauma-Informed Care in Behavioral Health Services** by visiting:

<https://bit.ly/3bR3TAm>



To review domains in which organizations can implement trauma-informed strategies, download **SAMHSA's Concept of Trauma and Guidance for a Trauma-Informed Approach** by visiting: <https://bit.ly/2LLtiRk>



Community Connections has designed a trauma-informed care framework called **Creating Cultures of Trauma-Informed Care (CCTIC)**. Their self-assessment and planning protocol provides guidelines for facilitating trauma-informed modifications to organizational or programmatic policies and procedures. To learn more, visit: <https://bit.ly/3df9S3w>



To help get the conversation started, consider using a **CCTIC Staff Rubric** to evaluate any program offering from a care-centered standpoint. Available: <https://bit.ly/2M4tBXF>

STEP TWO



Learn about the principles of trauma-informed care

Regardless of the professional training received, all practitioners can benefit from introductory training about trauma. It does not have to be intensive training. With just a brief introduction to trauma dynamics and core principles of trauma-informed care, all personnel can become more sensitive and less likely to re-traumatize trauma survivors seeking services.¹⁵



Tools for ensuring staff are trauma-informed



The **SAMHSA GAINS Center** provides trauma-informed training for organizations working specifically with returning citizen populations. To learn more, visit: <https://www.samhsa.gov/gains-center>



Risking Connections outlines RICH guidelines for working with survivors of abuse. RICH stands for four principles: Respect, Information, Connection, and Hope. The curriculum gives learners a basic understanding of trauma and its impact and suggests ways in which the RICH guidelines can be part of even the briefest interactions between client and practitioner. To learn more, visit: www.riskingconnection.com



Community Connections specializes in the areas of trauma-specific treatment approaches, implementation of trauma-informed systems, and the integration of mental health, substance abuse, and trauma services. They provide a multitude of trainings and support services. To complement the CCTIC framework, consider using the following materials to learn and engage with peers on the foundations of trauma-informed care:



Understanding Lived Experiences of Trauma.

A video discussion exercise. Available: <https://bit.ly/2ykFTYF>



Creating Cultures of Trauma-Informed Care

Available: <https://bit.ly/2WNcOhO>



Working with Adult Survivors of Trauma: Key Concepts in Understanding Trauma Dynamics.

Available: <https://bit.ly/2LlaNxd>



How to resolve situations using Trauma-Informed Practices

Available: <https://bit.ly/2TqAUg9>



Vicarious Traumatization and Staff Self Care.

Available: <https://bit.ly/3cQAZSc>

To learn more about Community Connections, visit: www.communityconnectionsdc.org

Within the CCTIC framework, safety, trustworthiness, choice, collaboration, and empowerment make-up five core principles of trauma-informed care. Through simple shifts in how practitioners interact with clients, trauma survivors are less likely to be re-traumatized by unintended actions and more likely to complete a program productively.

Principles of Trauma-informed Care

Practices organizations can do every day!

Safety

Trauma survivors may never feel emotionally or physically safe. Create an emotionally and physically safe environment for your clients.

- Let clients know what is going to happen before it happens.
- Give clients privacy when discussing personal issues.
- Let clients know they can discuss anything with you and they will not be judged.
- Learn more about LGBTQ issues and incorporate that knowledge into all you do.

Trustworthiness

Trauma survivors may not know who to trust since statistics show that most usually knew and trusted the person who abused them. Most survivors don't give their trust. Practitioners must work to earn their clients trust.

- Work to earn trust by doing what you say you are going to do.
- Always practice appropriate boundaries in what you say and what you do.
- Treat every client consistently.

Choice

Abusers take away control and choice. Give clients a choice in all that they do.

- Give clients small choices: walk in front of me or behind, door open or closed, lighting on or off.
- When possible give clients a choice in regard to who they work with.
- Make client choices understandable. Explain, explain, and explain!
- Eliminate negative consequences for exercising particular choices; give incentives for showing up to all program classes rather than taking away privileges from those who do not attend.
- Client's goals are given the greatest weight in goal setting

Collaboration

Abusers do not share power. Collaborate with clients throughout service delivery.

- Form a Client Advisory Board, hold focus groups, or administer Client Satisfaction Surveys.
- Ask for feedback after every interaction. The feedback can be verbal or written anonymously.

Empowerment

Abusers make people feel powerless and worthless. Survivors often develop skills to protect themselves, but not always skills that will assist them in the future. Recognize everyone's strengths and assist clients in building new skills.

- Routinely recognize and comment on client strengths and skills in all you do.
- Focus on skill building in all you do.
- Talk to a peer support specialist and get their feedback and wisdom.

STEP THREE



Screen for trauma at intake

In a trauma-informed framework, practitioners without advanced mental health degrees can assess for client trauma histories.

Screen returning citizens for trauma histories at intake. Screening can be relatively brief and nonthreatening, and should always define the appropriate next steps with a client.



Tools for assessing trauma histories



Consider using Community Connections' Trauma Screening Survey. Download the survey by going to: <https://bit.ly/2Zmv9nJ>



Community Connections' **"Have You Been Affected by Violence?"** hand-out can also support the screening process. As a bonus, you can add information about available resources and community partners who can assist with trauma related services. Download the hand-out by going to: <https://bit.ly/3g8uVXm>

STEP FOUR



Establish goals

Practitioners and returning citizens should co-create goals and define expectations.

Goal setting should be a strengths-based conversation that emphasizes, and at times, identifies the capabilities of returning citizens and demonstrates appreciation for how those capabilities can be transformed into business success.

By knowing that there is some control over future goals and events, a trauma survivor's anxiety may be decreased, which may consequently work to deescalate any difficult situation related to program expectations.¹⁶



Tool for establishing goals in a trauma-informed way



The Financial Clinic's Change Machine is a digital platform that helps build an entrepreneur's financial security. It allows entrepreneurs to set their own financial goals and to then track progress against them. In conjunction with applying trauma-informed principles for goal setting, organizations can use the Change Machine to help returning citizens take control of their own progress towards starting or growing their small business. To learn more about the online platform, visit: <https://thefinancialclinic.org/solution/change-machine>

STEP FIVE



Build in feedback loops

Feedback loops are mechanisms that are used to validate and gain input around program processes; a feedback loop could be an end of course feedback survey or weekly meetings between a practitioner and their client to gauge progress against goals. By incorporating feedback loops, you can maintain an active pulse on how programming is being received and experienced by returning citizens.

To gain client feedback on trauma-informed practices and policies, consider using the same survey provided at intake. By looking at the difference between the before and after survey results, practitioners can evaluate their program's effectiveness through a trauma-informed lens (see step three tools of this toolkit on page 24 to review the survey).

STEP SIX



Program Evaluation

At the end of your program, each client should be assessed for continued professional development needs. In turn, programs can also evaluate the effectiveness of their services. Using the CCTIC framework, a client-satisfaction survey based on safety, trustworthiness, choice, collaboration, and empowerment can be administered.



INSIDE ENDEAVOR READY: Trauma-Informed Care

To ensure each pilot was being developed and delivered in a trauma-informed way, each cohort organization committed to infusing the following elements into their program preparation and delivery (all materials referenced can be found in step one, two and three tools of the trauma-informed care section of this toolkit on pages 21-24):

- A staff discussion activity exploring the effects of trauma by viewing the 2002 movie, *Antwone Fisher*;
- A staff presentation on “Working with Adult Survivors of Trauma”;
- Administration of trauma-informed surveys to staff and clients; and,
- Use of a trauma-informed handout with local resources for returning citizens.

In addition to these steps, each organization incorporated the following:

During **Georgia Micro Enterprise Network’s (GMEN)** program, entrepreneurs were able to connect with a virtual behavioral specialist and a resource coordinator to assist with incidental expenses related to participation (i.e. bus tokens, childcare, etc.). By covering incidental costs, GMEN was able to curtail anxieties related to participation.



To raise awareness around trauma and its effects, GMEN added a class to its training schedule to ensure that each participating returning citizen gained an understanding of how trauma could impact his or her personal wellbeing and business development.

In developing and delivering their program, **The First 72+** placed a stronger emphasis on how they engaged with their clients to ensure alignment with the principles of trauma-informed care like choice, collaboration, and empowerment.



To complement their enhanced delivery method, The First 72+ found that the use of the Financial Clinic’s Change Machine served as an effective supplementary tool for returning citizens to develop their own actionable steps towards achieving financial and business development growth. The platform is structured to give choice to each client and to empower them to take action, modeling vital principles of trauma-informed care.

Justine PETERSEN honed in on their local referral partners to better connect returning citizens in need of necessary support beyond what they could offer. JP ensured that clients were given choices and an active voice in crafting an action plan that fit their unique circumstances and experience. Additionally, financial counseling was provided using a positive approach, helping clients identify their first empowering step, even when they needed to address negatives that may have stemmed from traumatic experiences as part of their credit action plan.





ENDEAVOR READY ON THE GROUND

Elizabeth Wilson
Executive Director
Georgia Micro Enterprise Network

GMEN has an extensive history working with returning citizens. We have provided trainings to microenterprise development organizations, community development financial institutions and correctional officers. But in the past 10 years, we never built trauma-informed care into our training methodology.

Participating in the Endeavor Ready pilot and learning about trauma-informed care was eye-opening. For example, in previous trainings with returning citizens, we experienced a lot of frustration and at times “acting out” from participants. The result yielded a frustrated team with participants not completing the program.

During the pilot, we approached our work through a trauma-informed lens and found that those outbursts were unintentionally being triggered by staff, and that almost all disruptions were related to defensive behaviors stemming from previously traumatic experiences.

With the infusion of a few tools to enable our trainings to be more trauma-informed, we witnessed a shift in the way the program was being received. Staff prepared for and interacted with the class differently, and as a result, participants were productively completing the program.

We are seeing continuous engagement after the conclusion of the pilot. Those who participated are now asking when the next classes will occur. By providing services through a trauma-informed lens, we were able to break down barriers of distrust and provide support specifically for each person.

GMEN staff are seeking ways to expand their knowledge about trauma-informed strategies for program delivery. We are looking forward to opportunities to become certified in trauma-informed care and to help others become certified so that this level of training can become a standard for everything that happens with programming here in Georgia.

ENDNOTES

- 5 Wolff, N., Jing Shi, M., & Siegel, J. A. (2009, April 24). Patterns of victimization among male and female inmates: evidence of an enduring legacy. Retrieved from NCBI: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3793850/>
- 6 Villa, M. (2017, June 22). The Mental Health Crisis Facing Women in Prison. Retrieved from The Marshall Project: <https://www.themarshallproject.org/2017/06/22/the-mental-health-crisis-facing-women-in-prison>
- 7 DeVeaux, M. (2013). The Trauma of the Incarceration Experience. Harvard Civil Rights-Civil Liberties Law Review (CR-CL), 257-277. Retrieved from https://harvardcrcl.org/wp-content/uploads/sites/10/2013/04/DeVeaux_257-277.pdf
- 8 Substance Abuse and Mental Health Services Administration. Trauma-Informed Care in Behavioral Health Services. Treatment Improvement Protocol (TIP) Series 57. HHS Publication No. (SMA) 13-4801. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2014.
- 9 Substance Abuse and Mental Health Services Administration. (2014). Chapter 3. Understanding the Impact of Trauma. In SAMHSA, Trauma-Informed Care in Behavioral Health Services (pp. 59-90). Rockville: Substance Abuse and Mental Health Services Administration (US). Retrieved from <https://www.ncbi.nlm.nih.gov/books/NBK207191/>
- 10 Dion, R., LaFlair, L., Azur, M., Morzuch, M., & D'Angelo, A. (2018). Trauma-Informed Approaches for Programs Serving Fathers in Re-Entry: A Review of the Literature and Environmental Scan. U.S. Department of Health and Human Services, Office of Planning, Research, and Evaluation Administration for Children and Families. Washington, DC: U.S. Department of Health and Human Services. Retrieved from https://www.acf.hhs.gov/sites/default/files/opre/pact_rf_tic_lit_review_final_508.pdf
- 11 Babcock, E. (2018). Using Brain Science to Transform Human Services and Increase Personal Mobility from Poverty. US Partnership on Mobility and Poverty. Washington DC: Urban Institute. Retrieved from file:///C:/Users/kturmer/Downloads/using_brain_science_to_transform_human_services_and_increase_personal_mobility_from_poverty.pdf
- 12 Dion, R., LaFlair, L., Azur, M., Morzuch, M., & D'Angelo, A. (2018). Trauma-Informed Approaches for Programs Serving Fathers in Re-Entry: A Review of the Literature and Environmental Scan. U.S. Department of Health and Human Services, Office of Planning, Research, and Evaluation Administration for Children and Families. Washington, DC: U.S. Department of Health and Human Services. Retrieved from https://www.acf.hhs.gov/sites/default/files/opre/pact_rf_tic_lit_review_final_508.pdf
- 13 Harris, M., & Fallot, R. D. (2001). Envisioning a Trauma-Informed Service System: A Vital Paradigm Shift. In M. Harris, & R. D. Fallot, *Using Trauma Theory to Design Service Systems* (pp. 3-22). San Francisco: Jossey-Bass.
- 14 Substance Abuse and Mental Health Services Administration. (2014). SAMHSA's Concept of Trauma and Guidance for a Trauma-Informed Approach. Rockville, MD: Substance Abuse and Mental Health Services. Retrieved from <https://store.samhsa.gov/system/files/sma14-4884.pdf>
- 15 Harris, M., & Fallot, R. D. (2001). Envisioning a Trauma-Informed Service System: A Vital Paradigm Shift. In M. Harris, & R. D. Fallot, *Using Trauma Theory to Design Service Systems* (pp. 3-22). San Francisco: Jossey-Bass.
- 16 Harris, M., & Fallot, R. D. (2001). Envisioning a Trauma-Informed Service System: A Vital Paradigm Shift. In M. Harris, & R. D. Fallot, *Using Trauma Theory to Design Service Systems* (pp. 3-22). San Francisco: Jossey-Bass.



The Association for Enterprise Opportunity is the leading voice of innovation for microfinance and microbusiness. Our mission is to create economic opportunity for underserved entrepreneurs throughout the United States. We engineer transformational change through research, convening, incubation, and advocacy to foster a robust and inclusive market place.

For More Information Contact:

Hyacinth Vassell, Vice President of Innovation Engineering, AEO | hvassell@aeoworks.org

Connie Evans, President and CEO, AEO | cevens@aeoworks.org





Early Introductions to Credit Building Strategies

When launching a business, a business plan will often not suffice on its own and a lack of credit or poor credit due to debt obligations will eventually limit an entrepreneur's access to capital.¹⁷

Good credit is a prerequisite for everyday financial services, unlocking benefits like low-cost credit cards, bank accounts and loans. A good credit history can make the difference in accessing affordable lending products necessary to start and grow a small business or potentially falling into less-favorable financing products with high interest rates like predatory loans.¹⁸

Many returning citizens reenter their communities with financial obligations to the court and with little to no credit. As such, there is an opportunity to integrate credit education and services at the onset of entrepreneurial training programs. For many, this will mean debt management and credit building.

Credit building is defined as the act of making on-time monthly payments on a financial product, such as an installment loan or a revolving credit card that is reported to at least one of the major consumer credit bureaus.¹⁹ Understanding that it takes six to 12 months to see positive outcomes related to credit building activities, programs that do not incorporate credit building strategies face unintended consequences of entrepreneurs not seeing the immediate importance of credit and debt to their business development and goals.

While organizations that provide services to returning citizen entrepreneurs are uniquely positioned to integrate credit building strategies into program offerings, there is not a one-size-fits-all solution. Instead, organizations that seek to successfully support returning citizens in credit building must evaluate their ability to build and provide in-house programs or products. If it is not possible to provide resources in-house, practitioners should identify external community resources that can offer education and appropriate debt management and credit building products to participants.

Credit Building Tools and Resources

Ensuring that returning citizens are actively building credit will enable them to access capital when necessary for their business development and growth.

The following ten steps provide guidance and tools to enable practitioners to better meet the needs of the returning citizen entrepreneurs they serve.

STEP ONE



Have a conversation with your team

Evaluate your program's current credit building strategies and capabilities, and then design a framework for action.

If providing education and products in-house is not an option, practitioners can identify external community resources that offer credit education and appropriate credit building products to returning citizens.

Understanding what your organization can and cannot do in-house helps set the stage for how it will need to engage community partners to provide credit-building education and products.



Tools to develop a credit building framework



The Consumer Financial Protection Bureau's (CFPB) Your Money Your Goals Toolkit provides tools and information on managing money, credit, and debt. Additionally, it identifies appropriate financial products that organizations can recommend to returning citizens. Consider using the toolkit to design credit building services. To learn more, visit:

<https://bit.ly/2XIFJbM>



To help explain **how to use the CFPB's Your Money Your Goals Toolkit**, download the following **PowerPoint slides to present to staff and volunteers**. To download the presentation slides, visit:

<https://bit.ly/2LLVOCh>



Credit Builders Alliance's (CBA) Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs provides step-by-step actions to evaluate, design, and improve credit building programs to better support the needs of returning citizen entrepreneurs. To learn more, visit:

<https://bit.ly/3cSZdLI>

STEP TWO



Evaluate current credit standings

At intake, start by asking permission from each returning citizen to pull a soft credit inquiry. A soft inquiry will show financial patterns and current debt obligations that may affect goal achievement.

Once a soft inquiry is pulled, practitioners can work with each returning citizen to design a tailored plan of action. This could mean setting up a credit building strategy and/or contesting inaccuracies on their credit report.



Tools for evaluating credit standings



Experian captures financial information lenders would use to determine creditworthiness. Consider using the service to pull soft inquiries and monitor credit. To learn more, visit: <https://www.experian.com/consumer-products/free-credit-report.html>



WalletHub provides free credit scores and full credit reports by watching TransUnion Credit Reports. To learn more, visit: <https://wallethub.com/free-credit-report/>



Annual Credit Report is a government site that offers an accessible way for all consumers to pull an educational credit report from each of the three primary credit bureaus (Equifax, Experian, and TransUnion). Consumers are eligible for at least one free report from each bureau one time per year. To learn more, visit: www.annualcreditreport.com



CBA Access serves as a one-stop shop for nonprofits seeking to pull reports for education, outcome tracking, and/or underwriting purposes. To learn more, visit: <https://creditbuildersalliance.org/cba-services/cba-access/>



According to CBA, common credit challenges faced by returning citizens are

- Credit inactivity
- Child support and/or pre-incarceration debt
- Legal issues
- Lack of trust in institutions
- Lack of identification
- Derogatory banking history
- Identify theft
- Fines and fees
- Empowerment and housing barriers
- No financial institution account
- No permanent address



STEP THREE



Evaluate credit building knowledge, skills and confidence

Evaluate each returning citizen's financial management skills and knowledge. By doing an assessment at intake, follow-up services can then be tailored to ensure that each returning citizen is gaining the skills needed to manage their money, credit, debt and financial products.



Tool to evaluate credit building knowledge levels:



CFPB's Financial Empowerment Self-Assessment can help organizations and the returning citizens they serve to better understand current financial knowledge levels and evaluate overall confidence levels in incorporating strategies to improve credit and manage finances. To learn more, visit: <https://bit.ly/3gbKrSb>



STEP FOUR



Establish goals

Credit building is a goal-oriented process. By having a conversation about money, credit and debt, returning citizens can better understand the link between good credit and their financial goals.



Tools to develop credit building goals



The Financial Clinic's Change Machine is a digital platform that helps build an entrepreneur's financial security. It allows an entrepreneur to set their own financial goals and to then track progress against them. To learn more about the online platform, visit: <https://thefinancialclinic.org/solution/change-machine/>



Consider **CFPB's My Money Picture Exercise** to then establish SMART²⁰ goals for credit improvement using the **Setting Goals Worksheet**.

My Money Picture exercise available: <https://bit.ly/3gelofY>

Setting Goals worksheet available: <https://bit.ly/2LJ6KAv>



Consider **CBA's Credit Strength Roadmap Goal(s) Worksheet** to help returning citizens define their goals. To download the worksheet, see page 24 of the Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs. Available: <https://bit.ly/3cSZdLI>

STEP FIVE



Offer credit education early-on

At the onset of your program, offer credit education to help returning citizens understand how to manage their current credit and debit.

Credit education should help returning citizens avoid choosing less-favorable financing products, particularly those with high interest rates.



Tools for incorporating credit education



Consider using **Money Smart's Understanding & Managing Your Credit** to review the fundamentals of credit building with any client. To download the presentation, visit: <https://bit.ly/36ff0lt>



Money Smart for Small Business is a curriculum developed jointly by the Federal Deposit Insurance Corporation (FDIC) and the Small Business Administration (SBA). Consider using the Credit Reporting module to provide returning citizens with an overview on credit reporting, the impact of credit reports on the operations or growth of a small business, and strategies for building or improving business credit. To learn more, visit:

<https://bit.ly/2Tmp72n>

STEP SIX



Deal with debt

Debt management is critical to financial stability. Work with your clients to review possible outstanding debt obligations.

Common debt obligations amongst returning citizens include court-ordered fees and fines, medical collections, and telecom bills. Court-ordered debts include unpaid traffic tickets, probation, child support, restitution, and other court fees.

Once all debt obligations have been identified, help each client to contest any inaccuracies found.

Finally, guide returning citizens to make debt management decisions from a credit building perspective by:

1. Prioritizing debt payments based on credit and financial stability;
2. Weighing the costs and benefits of paying debt vs. collections. It is better to pay off debts before they go to collections rather than tackling collections payments first;
3. Helping to negotiate a payment plan or a reduction of debt; and
4. Navigating competing priorities.

Depending on a person's debt levels, debt management may need to happen before or in conjunction with credit building.



Tools to help returning citizens deal with debt



If it is unclear how much debt a returning citizen has, practitioners can use **CFPB's Tracking Your Debt Worksheet** to gain a better picture of any outstanding debt. To download the worksheet, visit: <https://bit.ly/2LJ6KAv>



If returning citizens are unable to pay off all debts, consider using **CFBP's Dealing With Debt Checklist** to help identify strategies for prioritizing payments. To download the checklist, visit: <https://bit.ly/2LJ6KAv>



CBA's Credit Strength Roadmap® Deal with Debt Worksheet, can help returning citizens dispute errors, eliminate identity theft, determine a budget, and save in order to pay off debt. To download the worksheet, go to page 54 of the *Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs*. Available: <https://bit.ly/3cSZdLI>

**On average, families paid
\$13,607 in court-related costs.**

These costs amount to nearly **one year's income** for low-income families making less than \$15,000 per year.



Source: Whos Pays? The True Cost of Incarceration on Families. (n.d.). Retrieved from Whos Pays?: <http://whopaysreport.org/key-findings/>

STEP SEVEN



Actively Build Credit

Lenders are hesitant to lend to individuals without an active credit history and building or repairing credit can be a lengthy process; typically taking six to 12 months to see positive outcomes on a credit report.²¹ Incorporating credit building at the onset of programming better enables returning citizens to secure seed capital and future funding for their businesses.

Depending on the needs of the entrepreneur, consider credit building strategies such as:

- Rent reporting: coordinating with housing providers to report rent payments as credit building activity;²²
- Debt management: consolidate legal financial obligations into low-interest loans from community lenders or provide small loans to lower and eliminate debt;
- Credit builder loans;
- Secured credit cards; and,
- Report loans and credit building activities to major credit bureaus.





Tools to actively build credit



To support organizations in offering capital and credit building services to returning citizens, CBA has developed a **Credit Building Strategy and Product Rubric** to help identify the best products available. To use the roadmap worksheet, go to page 44 of the Achieving Credit Strength toolkit linked below. To learn more about the rubric, review Appendix 6 and 7 by downloading: <https://bit.ly/2X8MYDO>



Self is a financial technology company that helps people build credit. They do this by offering a Credit Builder Account, which is an installment loan that enables individuals to build positive payment history while they save money. Their services are particularly tailored to support individuals who are new to credit building or who might not have had access to traditional financial products. To learn more, visit: www.self.inc

There are many online rent reporting platforms. Below are a couple to consider:



MoCaFi or Mobility Capital Finance, Inc. is a platform that provides banking services to the underbanked, while helping them build credit and increase economic mobility. Through the application, consumers can report rent payments by uploading rental receipts or by paying electronically with a MoCaFi prepaid card. MoCaFi in turn reports the payments to Equifax and TransUnion. For more information, visit: www.MoCaFi.com



RentTrack is a credit reporting agency designed to help consumers build credit when making on-time rent payments. RentTrack reports monthly rent payments to the three major credit reporting bureaus: Equifax, Experian and TransUnion. Fees can vary depending on whether a client's landlord is signed up to the platform. For more information, visit: www.renttrack.com

STEP EIGHT



Determine if a client is ready for a loan

Focusing on credit building at the onset of programming will better enable returning citizens to secure capital when needed. It will also increase the likelihood of a client being able to secure loans throughout their business' lifespan.

At the culmination of credit building efforts, evaluate each returning citizen's credit by doing a soft inquiry and determine if they are ready to apply for a loan. If entrepreneurs are ready to take on a loan, a hard inquiry will need to be pulled for underwriting purposes.

STEP NINE



Evaluate and celebrate

Credit building is a long process. Feedback loops should be incorporated into programming to assure progress is staying on track and to safeguard that returning citizens are owning their own growth process.

At the end of the program, evaluate the process and don't forget to celebrate!



Tools for program evaluation



Consider using **CBA's Make Credit Building Count Worksheet** to evaluate program efforts. The worksheet is available on page 61 of the Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs. Available: <https://bit.ly/2X8MYDO>

STEP TEN



Ensure sustainability

Returning citizens can continue to monitor their credit by requesting a free annual credit report and by using tools accessible via mobile phone applications or online resources.

Three tips for achieving and maintaining strong credit scores:

1. When possible, maintain a mix of at least three active credit trade lines and always pay on time. A trade line is a record of activity for any type of credit extended to a borrower and reported to a credit reporting agency;
2. Maintain low debt balances on revolving lines of credit; and,
3. Maintain at least six months of credit history and activity on your credit report at any time.



Tools for ensuring financial sustainability



Once a year, anyone can request a **free credit report** from all three nationwide credit reporting companies - Equifax, Experian, and TransUnion—since each report may have different information. Each report will most likely be similar but look for irregularities or information that may be inaccurate.

There are three ways in which a credit report can be requested:

1. For online requests, go to www.AnnualCreditReport.com
2. For requests by phone, call (877) 322-8228
3. For request by mail, download and complete the form at <https://www.annualcreditreport.com/requestReport/landingPage.action> and then mail the completed form to:
Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281



Mint is accessible online and can be downloaded as an application to your phone. The Intuit product brings together all accounts, bills and more so that people can easily manage their finances on one dashboard. To learn more, visit: <https://www.mint.com>



NerdWallet is accessible online and via a phone application. The service helps people control their personal financial decisions, offering basic tools to manage income and expenses while also helping consumers identify credit cards, banking institutions, loans and insurance offerings that best meet their needs. To learn more, visit: <https://www.nerdwallet.com>



Capital One CreditWise is a free credit monitoring tool that enables users to understand their credit score and identify ways to improve the score. The tool provides updates by monitoring changes on TransUnion and Experian credit reports. To learn more, visit: <https://creditwise.capitalone.com>





INSIDE ENDEAVOR READY Credit Building

To educate their clients on the importance of credit, the **Georgia Micro Enterprise Network (GMEN)** added a class to their program schedule and partnered with two local organizations, Regions Bank and Atlanta Builds Credit, to speak about restorative credit building strategies.



GMEN also provided their clients with one-on-one counseling to ensure each person was getting the tailored support they needed to actively build their credit.

Justine PETERSEN (JP) provided their clients with one-on-one credit building counseling. They worked with each client to pull soft inquiries and contest credit report inaccuracies. For those with thin credit, JP provided access to their Save2Build credit builder loan.



Returning citizens were also provided access to business loans. JP's small loans are intended to help client's kick-start a business idea while also building credit. The loan amounts range between \$500 and \$3,000.

The First 72+ incorporated one-on-one financial coaching into their program. They also connected participants with consumer debt attorneys, credit coaches, and financial counselors to resolve outstanding issues on credit reports. With the support of a coach, each returning citizen created their own credit building action plan using frameworks provided through the Financial Clinic's Change Machine platform.





ENDEAVOR READY ON THE GROUND

Chad Sanders

Operations Manager & Reentry Court Case Manager

The First 72+

Prior to the Endeavor Ready pilot, our small business incubator program was pretty light touch. It consisted of three components: 1) a financial literacy course; 2) Business plan development using the Business Model Canvas framework; and, 3) the creation of a marketing plan.

The Endeavor Ready pilot challenged us to weave core entrepreneurial training components with financial literacy and life skills, while also grounding the education with actionable steps.

By infusing credit building into our financial literacy curriculum, we saw great impact. However, key to the impact we saw was the ability to deliver programming in a holistic way.

On average, we find that our participants have no formal banking relationship. Or if they do, clients almost always report negative banking and credit related experiences. There is a sensitivity around the subject of credit and capital, and a distrust for banking institutions, as many of our clients feel that their credit information has been typically used against them.

Delivering training in a trauma-informed way and then embedding credit building tools into our financial education offerings allowed us to break through an invisible trust gap. Participants were able to actively see progress toward being able to access capital by building credit. The trauma-informed piece was vital to credit building because it gave choice back to each participant and created an atmosphere of understanding. We listened, rather than talked, and we were able to ask the right questions. As a result, we found greater impact.

When failing to teach the effects and interconnectedness of credit, capital, and trauma on financial stability, conversations can go in different directions without a result. Through the pilot we were able to ground how credit and financial knowledge affects financial sustainability. We were able to better reach participants through strategies of understanding and care. We further learned that we cannot compartmentalize our mental health and care component versus our court program versus the entrepreneurship program. We have to address all factors affecting returning citizens and then actively provide pathways to build credit so that entrepreneurs can obtain the vital capital necessary for business success.

To more effectively address the interconnectedness of factors inhibiting returning citizens from entrepreneurial success, The First 72+ will continue to pursue this more comprehensive approach to program delivery.

ENDNOTES

- 17 Credit Builders Alliance. (2018). Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs. Washington DC: Credit Builders Alliance. Retrieved from https://cbatraininginstitute.org/wp-content/uploads/2018/02/Achieving-Credit-Strength_A-Toolkit-for-Supporting-Returning-Citizen-Entrepreneurs_CBA.pdf
- 18 Credit Builders Alliance. (2018). Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs. Washington DC: Credit Builders Alliance. Retrieved from https://cbatraininginstitute.org/wp-content/uploads/2018/02/Achieving-Credit-Strength_A-Toolkit-for-Supporting-Returning-Citizen-Entrepreneurs_CBA.pdf
- 19 Credit Builders Alliance. (2018). Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs. Washington DC: Credit Builders Alliance. Retrieved from https://cbatraininginstitute.org/wp-content/uploads/2018/02/Achieving-Credit-Strength_A-Toolkit-for-Supporting-Returning-Citizen-Entrepreneurs_CBA.pdf
- 20 Creating SMART goals brings structure to goal setting. The five characteristics of SMART goals are being (S)pecific, (M)easurable, (A)chievable, (R)elevant, and (T)ime bound.
- 21 Credit Builders Alliance. (2018). Achieving Credit Strength: A Toolkit for Supporting Returning Citizen Entrepreneurs. Washington DC: Credit Builders Alliance. Retrieved from https://cbatraininginstitute.org/wp-content/uploads/2018/02/Achieving-Credit-Strength_A-Toolkit-for-Supporting-Returning-Citizen-Entrepreneurs_CBA.pdf
- 22 CBA's Rent Reporting for Credit Building consulting service supports mission driven affordable housing providers to implement rent reporting for credit building initiatives in order to help their residents build credit histories and offer them a positive incentive for on-time rent payment



The Association for Enterprise Opportunity is the leading voice of innovation for microfinance and microbusiness. Our mission is to create economic opportunity for underserved entrepreneurs throughout the United States. We engineer transformational change through research, convening, incubation, and advocacy to foster a robust and inclusive market place.

For More Information Contact:

Hyacinth Vassell, Vice President of Innovation Engineering, AEO | hvassell@aeoworks.org

Connie Evans, President and CEO, AEO | cevans@aeoworks.org



The Need for Right-fit Capital

Entrepreneurial readiness programs should educate and prepare returning citizens for obtaining capital through credit-building education and services, and ultimately provide access to right-fit capital. Right-fit capital specifically meets the borrower's needs and enables clients to build credit at favorable rates, terms, and conditions for specific business needs.



Organizations can partner with mission-driven community lenders like community development financial institutions (CDFIs) if they are unable to provide capital. CDFIs are private financial institutions dedicated to helping low-income and underserved people and communities join the economic mainstream by offering affordable lending options. CDFIs can also support returning citizen entrepreneurs long-term with financing that builds credit and other forms of technical assistance.²³ If partnerships with CDFIs are not an option, practitioners can organize networking events where clients can engage with local financial institutions.

Practitioners can provide information to entrepreneurs to build awareness and to help them understand how to secure capital on their own. Beyond identifying local-area financial providers, organizations can present capital options such as grants and business loans guaranteed by the Small Business Administration (SBA), such as the 7(a) microloan and 504 loan programs. For returning citizens in need of venture capital, practitioners can also connect them to SBA-licensed and regulated Small Business Investment Companies (SBIC) for financing in equity and debt arenas.



Typically, more than 75% of all microbusiness owners use personal savings for startup capital.

However, for returning citizens, the likelihood of them facing low wages and high debt means that personal savings may be more the exception than the norm.

Without right-fit capital, **returning citizens often struggle to launch businesses and build credit**, and can easily fall victim to predatory lending practices.

Capital Access Recommendations

Actively connecting returning citizens to capital resources will enable them to get the financing they need to start or grow a business. The following four recommendations provide guidance on how organizations can connect returning citizens to capital.

RECOMMENDATION #1



Evaluate your programs' ability to provide right-fit capital

Evaluate your organization's abilities to provide capital access services in-house or through partners. Then, design a framework for action.



Tools to develop a credit building framework



The United States Department of Health and Human Services' **Planning Guide for Building Financial Capability** is a helpful resource that guides organizations on how to integrate services that build a clients' financial capability. The guide provides three basic approaches that organizations can pursue:

1. Referring;
2. Partnering; or
3. Providing services in-house.

To download the tool, visit: <https://bit.ly/2Zm2sY2>



Credit Builders Alliance (CBA) has developed a toolkit that can help practitioners think about how to offer access to financing to their returning citizen clients. CBA's **Reentry Opportunity Toolkit**, is designed to help organizations that are:

1. Already lending and considering or planning to add to their loan portfolio;
2. Not yet lending, but providing population-specific services and interested in providing loans as a complementary support for that population; or,
3. Providing population-specific services or funding and want to partner with a lender to create a loan product that meets the needs of the returning citizens they serve.

To download the toolkit, visit: <https://bit.ly/36jMleM>



RECOMMENDATION #2



Help Clients Build Credit

Accessing capital is dependent on good credit. To help returning citizens access capital, actively connect returning citizens with opportunities to build credit. To learn tips for incorporating credit building strategies, go to page 31 to review the credit building section of this toolkit.

RECOMMENDATION #3



Educate returning citizens on available funding options

Embedded into any entrepreneurial training program for returning citizens should be education, tools, and resources to access right-fit capital.



Tool for educating returning citizens on funding options.



The Business and Legal Toolkit for Returning Citizens, produced by George Washington University Law School, provides funding options that organizations can refer to when talking with their returning citizen clients about available capital options. While resources shared may be more relevant for those located in the Washington D.C. area, the highlighted funding sources provide insight into where organizations may want to explore new community connections in their area. Available:

<https://bit.ly/3cSxQRH>

RECOMMENDATION #4



Connect returning citizens to local lenders and build their networks

Beyond educating entrepreneurs on how to access capital, organizations should actively connect entrepreneurs to local lenders and organize opportunities to network.



INSIDE ENDEAVOR READY

Access to Capital

To provide access to capital, the **Georgia Micro Enterprise Network (GMEN)** partnered with Access to Capital for Entrepreneurs (ACE), an Atlanta-based CDFI that provides loans and business development resources.



Three months after the program, one of GMEN's pilot participants is in the process of securing a loan from ACE.

Justine PETERSEN (JP) is a lending-led organization and was able to originate loans to two returning citizens ready for business financing opportunities. All participants had access to micro-business loans as part of JP's programming. Small loan amounts (\$3,000 to \$5,000) were intended to help clients kick-start a business idea. Larger loans (up to \$50,000) were intended to be available after entrepreneurs had a more complete plan for their business and were ready to launch, or otherwise had an existing business that was ready to formalize or expand.



Through **The First 72+**'s Rising Foundations Incubator, entrepreneurs work towards receiving a \$1,000 small business loan from their Pay it Forward Communal Loan Fund.



Of the returning citizens who went through their pilot program, two received financing to support their already existing businesses.

ENDNOTES

- 23 Technical assistance refers to additional business development support including but not limited to: business planning, tax preparation, accounting, or legal assistance.





How to Advocate for Returning Citizens at the Local and National Level

Federal, state, and local legislators need to hear from you about the issues that matter. The following pages of this toolkit provide you with guidance on how to schedule and conduct meetings with elected representatives. You will also find a sample letter that organizations can use to send to their Members of Congress to urge them to support legislation, in addition to a sample advocacy roadmap outlining the avenues for organizations to use when advocating for returning citizens in their local markets.

How to Schedule a Meeting

The best way to make your elected representatives aware of issues negatively affecting returning citizens is to meet with them or a member of their staff. Below is a guide to scheduling and conducting a meeting. If you have any further questions, be sure to contact AEO at aeoinnovates@aeoworks.org.

Steps for Scheduling Federal Meetings

- 1 Identify your two Senators and your Representative in the House. You can find your Senators based on your state via www.senate.gov and you can find your Representative by entering your zip code in the top right corner of www.house.gov.
- 2 Request a meeting by calling their home state district office. This information can be found on the web page for each Member of Congress.
- 3 Be sure to indicate that you are a constituent that lives in the area the Member represents, and the topic you would like to discuss.
- 4 If the Senator or Representative is unavailable, request a meeting with a member of their staff. Staffers often work on specific issues of which they have a deep understanding and they communicate regularly with the member. These meetings are worthwhile.
- 5 Be sure to indicate who you are and your affiliation with the Association for Enterprise Opportunity.
- 6 You may be directed to email an office scheduler or staff member directly, or to fill out a meeting request form online.
- 7 Follow up directly with a phone call to ensure the scheduler has received your request.

Steps for Scheduling Meetings with State or Local Representatives

- 1 Identify your state legislators by entering your address at https://openstates.org/find_your_legislator
- 2 Follow the same steps as listed previously in the Federal Meeting section.



How to Conduct an Office Visit

Meeting with your Congressional delegation is key to ensuring they understand the issues important to supporting returning citizens. Even if you are not an expert on legislative issues, or have never talked to an elected official, you can still hold an effective meeting with your Senators and Representative and/or their staff. Remember: as a constituent, YOU are an important voice that they want to hear. By making an introduction and leaving behind information, you are taking the first step in developing a very important relationship.

Before the Meeting

- Decide who needs to be there. Consider including board members, community-based organizations you partner with, or clients you have worked with who can share how they have been impacted by barriers after returning from incarceration.
- Prepare for your meeting. Gather relevant data to support your argument. Be prepared to talk about the impact that local/federal policies or barriers have created for returning citizens. Numbers and statistics are important here. Make sure you have a printed copy of materials to leave behind.

Meeting Day

- Be prepared, be on time, and be flexible. Most meetings last about 15-25 minutes but can be shorter or longer depending on the schedule of the office. Expect a meeting with the Member of Congress to be shorter than a meeting with a staffer.

Here is a sample meeting agenda you may find helpful:

- 1 Introduce yourself, your organization, your affiliation with AEO, and where you are located.
- 2 Using materials from your organization, discuss the important role your organization plays assisting returning citizens.
- 3 Address the specific barrier you would like to work with the office to remove. Offer to work with staff to craft language for legislation that may remove this barrier.

After the Meeting

- Thank the legislator and/or staff member with an email promptly after your meeting. If you took a picture, send a tweet with a thank you message or post on your Facebook/website and be sure to tag the legislator.
- Add the legislator and/or staff to your newsletter and be sure to invite them to your next event.
- Email AEO at aeoinnovates@aeoworks.org and share the details of your meeting.

Sample Letter to Congress

There are a number of critical pieces of federal legislation that have been introduced in the U.S. Senate and House of Representatives in 2019. This legislation needs your support to become law. Below is a sample letter that you can use as a guide to send to your Members of Congress urging them to support returning citizens by voting for these bills. Letters can be emailed in PDF format to your Members of Congress. Call their D.C. offices (number located on the Member's website) and ask for the appropriate staff member to whom the letter should be directed.

The Honorable [FIRST AND LAST NAME OF MEMBER OF CONGRESS]
United States Senate/ United States House of Representatives
Washington, D.C. 20510/20515

Dear Senator/Representative [LAST NAME]:

I am writing on behalf of [ORGANIZATION NAME] to urge you to support a set of bills which help fight mass incarceration and recidivism – a problem that negatively impacts communities across America. These noteworthy bills are the *NEW START Act of 2019* (S.1077), the *Next Step Act of 2019* (S. 697 and H.R. 1893), the *Prison to Proprietorship Act* (H.R. 5078), and the *Prison to Proprietorship for Formerly Incarcerated Act* (H.R.5065). Passage of these critical pieces of legislation would help support and empower the over 650,000 Americans released from state and federal prisons each year.

Every week, thousands of Americans are discharged from state and federal prisons and they arrive on the doorsteps of our communities looking for a fresh start. Studies show, however, that approximately two-thirds of these individuals will likely be rearrested within three years of release. The referenced bills help address this widespread issue of recidivism with innovative policy solutions.

The NEW START Act of 2019, the Prison to Proprietorship Act, and the Prison to Proprietorship Act for the Formerly Incarcerated provide entrepreneurial development training for formerly incarcerated individuals. By empowering returning citizens with opportunities for economic prosperity through entrepreneurship, rates of recidivism will drop significantly. The *Next Step Act of 2019* would end the federal prohibition on marijuana, expunge records, and reinvest in the communities most harmed by the War on Drugs. This act would also “ban the box,” which will prohibit federal employers and contractors from asking job applicants about their incarceration history and enhance opportunities for returning citizens to secure employment.

[ENTER INFORMATION ABOUT YOUR ORGANIZATION HERE]

[ORGANIZATION NAME] stands ready to support returning citizens and we urge Congress to do the same by passing these important bills. Moving legislation like this forward will combat recidivism head on by providing returning citizens with resources to have a meaningful life after prison, and subsequently reduce the enormous stain of mass incarceration on our nation.

Sincerely,

[YOUR NAME, ORGANIZATION]

Sample Advocacy Roadmap: Washington, D.C.

Note: Below is an example of how to advocate for returning citizens in Washington, D.C. As issues vary locally, it is not intended to be duplicated in your own state, but rather meant to serve as a roadmap for you to follow once you identify issues affecting returning citizens in your area.

Step 1: Identify local obstacles

Do your research. Look online for any studies that have been recently published on the topic. Speak to members of your community who are returning citizens and find out what their biggest struggles are.

D.C. Example: A recently published report by the Council for Court Excellence examined returning citizens' reentry struggles and successes in the District of Columbia. One of the report's findings was that a lack of affordable housing is a persistent problem in the District, and a majority of returning citizens face housing instability.

To read the report, visit:
<https://bit.ly/3e6jFc8>

Step 2: Craft a solution

Brainstorm a creative solution to overcome the barrier you've identified. It does not need to be perfect, but an idea can spark further conversation with your legislators and their staff that may lead to a policy solution.

D.C. Example: To address the housing issue, correctional facilities and housing providers should permit and assist returning citizens to apply for and reserve housing up to 90 days prior to release. The District should explore granting tax incentives to buildings that reserve units for low-income returning citizens.

Step 3: Meet with your legislators and their staff members to explain the problem and your idea for a solution. Offer to work with them to craft legislation that helps remedy the issue.

D.C. Example: Contact the D.C. Mayor's Office by visiting their website (www.mayor.dc.gov) and locating a phone number and email address. You may also contact your state legislature/General Assembly. Request and conduct a meeting by following the steps provided in this toolkit.

Step 4: Inform AEO of your efforts by emailing aeoinnovates@aeoworks.org.





Listing of Local and National Services and Resources for Returning Citizens

The following listing highlights local and national resources to support you in your entrepreneurial efforts.

Northeast Region

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Defy Ventures <i>New York, NY</i> www.defyventures.org</p> <p>Mission: Defy Ventures is an organization with innovative programs and generous supporters to help cut recidivism in half by leveraging entrepreneurship to increase economic opportunities and transform lives.</p>	✓	✓						✓
<p>Housing Works Community Healthcare <i>New York, NY</i> https://healthcare.housingworks.org/</p> <p>Mission: The Housing Works Community Healthcare Reentry program uses a holistic approach and advocates for individualized services to assist clients to successfully reintegrate back into society.</p>							✓	✓
<p>Refoundry <i>Brooklyn, NY & Los Angeles, CA</i> www.refoundry.org</p> <p>Mission: Refoundry provides returning citizens with skills and opportunities to achieve financial independence and become leaders and job creators in the community.</p>	✓	✓				✓		✓
<p>Rising Tide Capital <i>North Jersey, NJ</i> www.risingtidecapital.org</p> <p>Mission: Rising Tide Capital assists struggling individuals and communities to build strong businesses, which transform lives, strengthen families and build sustainable communities. The business training focuses on areas where many incarcerated individuals live. Clients take part in a free four-hour orientation designed to help aspiring entrepreneurs and participants are encouraged to apply for a scholarship to the Community Business Academy, which offers a 40-hour course in basic management.</p>	✓	✓	✓		✓	✓		✓
<p>Roca <i>State-wide in MA and Baltimore, MD</i> www.rocainc.org</p> <p>Mission: Roca disrupts the cycle of incarceration and poverty by helping young people transform their lives through outreach, programming, and collaboration with community partners.</p>	✓					✓	✓	✓
<p>The Ladies of Hope Ministries <i>New York, NY</i> www.thelohm.org</p> <p>Mission: The Ladies of Hope Ministries helps disenfranchised and marginalized women and girls transition back into society through reentry resources and access to high-quality education, entrepreneurship, spiritual empowerment, advocacy, and housing.</p>	✓	✓						✓
<p>The Philadelphia Solutions Journalism Collaborative - The Reentry Project <i>Philadelphia, PA</i> www.thereentryproject.org</p> <p>Mission: The Reentry Project was a collaborative news initiative about the challenges and solutions to prisoner reentry in Philadelphia. The site represents a collaboration among 15 of the city's general interest newsrooms and community organizations to reveal and investigate credible responses to the challenges of recidivism and reentry.</p>	✓							

Southeast Region

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Aspire to Entrepreneurship Department of Small and Local Business Development (DSLBD) <i>Washington, DC</i> www.dslbd.dc.gov</p> <p>Mission: Through the Aspire to Entrepreneurship Program, DSLBD operates annual programming grants and provides direct support to returning-citizen-led small businesses and entrepreneurs.</p>	✓	✓			✓		✓	✓
<p>Bon Secours Reentry Program <i>Baltimore City, MD</i> www.bonsecours.com/baltimore</p> <p>Mission: Bon Secours Reentry Program empowers individuals to adjust life and support society after prison. The program is a 12-week training course that addresses the challenges of reintegration and teaches various life skills.</p>								✓
<p>Capital Area Asset Builders <i>Washington, DC</i> www.caab.org</p> <p>Mission: Capital Area Asset Builders creates opportunities and incentives for low-to-moderate income individuals to build financial security and future wealth.</p>	✓				✓			
<p>Changing Perceptions <i>Washington, DC</i> www.changingdcperceptions.org</p> <p>Mission: Changing Perceptions provides services and job training to individuals re-entering the Washington D.C. community through a number of therapeutic services and business development programs.</p>	✓	✓					✓	✓
<p>City of Little Rock <i>Little Rock, Arkansas</i> www.littlerock.gov</p> <p>Mission: The City of Little Rock Reentry Program is designed to provide services and opportunities to those with a history of non-violent convictions and incarceration to transition into the Little Rock community and improve their quality of life.</p>								✓
<p>City Startup Labs <i>Charlotte, NC</i> www.citystartuplabs.com</p> <p>Mission: City Startup Labs is a hybrid accelerator/incubator focusing on African-American millennials and returning citizens. The Reentry Entrepreneurship Program is designed to guide the participants through the process of researching, planning, and launching impactful and scalable enterprises.</p>	✓	✓						✓
<p>Community Connections <i>Washington, DC</i> www.communityconnectionsdc.org</p> <p>Mission: Community Connections provides behavioral health, residential services, and primary health care coordination for marginalized and disenfranchised women, men, youth, and children living in the District of Columbia, many of whom are coping with challenges including mental illness, addiction, and the aftermath of trauma and abuse.</p>				✓				

Southeast Region

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Georgia Microenterprise Network (GMEN) Atlanta, GA www.gmen.wildapricot.org</p> <p>Mission: GMEN serves as a resource to support and fund viable micro-businesses to help create new jobs and business opportunities at the local level, as well as reentry from incarceration through entrepreneurship.</p>	✓	✓				✓		✓
<p>Kentucky Reentry Multiple cities, KY www.kentuckyreentry.org</p> <p>Mission: Kentucky Reentry is made up of councils throughout the state of Kentucky, networking together to share information and improve the reentry process.</p>								✓
<p>Life Asset Washington, DC www.lifeasset.org</p> <p>Mission: Life Asset provides microloans, training, business opportunities, and retail space to small businesses in the area, specifically for returning citizens.</p>	✓	✓			✓			✓
<p>Mission Launch Washington, DC www.mission-launch.org</p> <p>Mission: Mission Launch is dedicated to improving the economic health of individuals living with criminal records through programs, practices, and policies.</p>	✓				✓			✓
<p>Pivot Program - Georgetown University Washington, DC https://pivot.georgetown.edu</p> <p>Mission: The Pivot Program is a one-year transition and reentry program centered on a blend of academic work and supported employment for returning citizens.</p>	✓	✓				✓		✓
<p>R3 Score Baltimore, MD www.r3score.com</p> <p>Mission: The R3 Score is a web and mobile responsive platform that makes it easier for banking professionals to assess the riskiness and financial capacity of customers with criminal records.</p>					✓			
<p>The First 72+ * New Orleans, LA www.first72plus.org</p> <p>Mission: The First 72+ has a mission to stop the cycle of incarceration by fostering independence and self-sustainability through education, stable and secure housing & employment, health care, and community engagement. Through their Rising Foundations Incubator, returning citizens are equipped with education and resources to launch a business.</p>	✓	✓			✓	✓	✓	✓
<p>The Fountain Fund Charlottesville, VA www.fountainfund.org</p> <p>Mission: The Fountain Fund works to improve the lives of returning citizens through lending, financial education, and community support.</p>			✓		✓			

Southwest Region

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>CSC Tulsa <i>Tulsa, OK</i> www.csctulsa.org</p> <p>Mission: The CSC Tulsa Reentry One-Stop is doing its part to break the cycle of incarceration by assisting men and women returning to Tulsa on the path to successful reintegration.</p>	✓							✓
<p>Journey of Hope <i>Salt Lake City, UT</i> http://journeyofhopeutah.org</p> <p>Mission: Journey of Hope supports women and girls by offering holistic, gender responsive, trauma-informed case management and teaches women about the tools needed to make a successful transition from prison to life outside of prison walls.</p>	✓			✓			✓	✓
<p>Oklahoma Partnership for Successful Reentry <i>Multiple cities, OK</i> www.okreentry.org</p> <p>Mission: The Oklahoma Partnership for Successful Reentry is a statewide coalition of organizations working in the field of reentry, which is helping returning citizens reintegrate into society.</p>								✓
<p>Old Pueblo Community Services <i>Tucson, AZ</i> www.helpatucson.org</p> <p>Mission: The OPCS Reentry Recovery program offers a wide range of services to returning citizens, allowing each person the opportunity to personalize their plan towards independence to meet their individual needs.</p>	✓						✓	✓
<p>Prison Entrepreneurship Program <i>Houston, TX</i> www.pep.org</p> <p>Mission: To transform inmates and executives by unlocking human potential through entrepreneurial passion, education and mentoring.</p>	✓	✓					✓	✓

Midwest Region

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Chicago Neighborhood Initiative <i>Chicago, IL</i> www.cnigroup.org</p> <p>Mission: The Chicago Neighborhood Initiative has a Micro Finance Group that is a partner in the Pathway to Enterprise for Returning Citizens program, providing access to start-up capital to returning citizens launching their own businesses following the successful completion of entrepreneurship training.</p>	✓	✓	✓		✓	✓		✓
<p>Justine PETERSEN <i>St. Louis, MO</i> www.justinepetersen.org</p> <p>Mission: Justine PETERSEN connects institutional resources to the needs of low and moderate-income families and individuals in order to build assets and create enduring change.</p>	✓	✓	✓		✓	✓		✓
<p>North Lawndale Employment Network <i>Chicago, IL</i> www.nlen.org</p> <p>Mission: The North Lawndale Employment Network serves unemployed and underemployed residents, including returning citizens, in North Lawndale and surrounding communities to help build a better future by securing jobs that support families with a living wage.</p>	✓		✓			✓		✓
<p>Sunshine Enterprises <i>Chicago, IL</i> www.sunshineenterprises.com</p> <p>Mission: Sunshine Enterprises works with microbusinesses in struggling communities to help create economic opportunity in entrepreneurship for returning citizens.</p>	✓	✓			✓			

West Coast Region

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Good Soil Industries <i>Los Angeles, CA</i> www.goodsoilindustries.org</p> <p>Mission: Good Soil Industries helps men with employment barriers work their way out of poverty through training, goal setting, financial planning, and life coaching. This is done by providing 3-6 month transitional jobs for men with criminal records.</p>	✓							✓
<p>Homeboy Industries <i>Los Angeles, CA</i> www.homeboyindustries.org</p> <p>Mission: Homeboy Industries provides training and support to previously incarcerated men and women, allowing them to redirect their lives and become contributing members of our community.</p>	✓						✓	✓
<p>Mercy Corps Northwest, LIFE Program <i>Portland, OR</i> www.mercycorpsnw.org</p> <p>Mission: Mercy Corps Northwest works to assist low-income populations improve their lives through their own work and efforts. They assist low-income entrepreneurs, including women, minorities, returning citizens, immigrants, and refugees, to start, strengthen, or expand small business. Through their LIFE Program, Mercy Corps delivers pre-release entrepreneurship programming empowering participants to develop an entrepreneurial mindset and leverages the potential of self-employment in establishing resiliency and economic stability.</p>	✓	✓						✓
<p>The Anti Recidivism Coalition <i>Los Angeles & Sacramento, CA</i> www.antirecidivism.org</p> <p>Mission: The Anti Recidivism Coalition empowers returning citizens to thrive by providing a support network, comprehensive services, and opportunities to advocate for policy change.</p>	✓							✓
<p>The Last Mile <i>Based in CA</i> www.thelastmile.org</p> <p>Mission: Last Mile prepares incarcerated individuals for successful reentry through business and technology training.</p>	✓							✓
<p>Ventures <i>Seattle, WA</i> www.venturesnonprofit.org</p> <p>Mission: Ventures is a Seattle-based nonprofit that provides access to business training, capital, coaching, and hands-on learning opportunities for underserved entrepreneurs. In partnership with the Washington State Department of Corrections, Ventures provides robust and dynamic entrepreneurial training and business coaching programs to the Mission Creek Women's Prison in Belfair, WA.</p>	✓	✓	✓		✓	✓		✓

National Level Services

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Asset Funders Network <i>National Locations</i> www.assetfunders.org</p> <p>Mission: Asset Funders Network engages philanthropy to further opportunity for those with low to moderate income, and returning citizens.</p>	✓							
<p>Business and Legal Toolkit for Returning Citizen Entrepreneurs <i>Online Resource</i> https://bit.ly/3cSxQRH</p> <p>Mission: Developed by the George Washington University Law School's Small Business & Community Economic Development Clinic, returning citizens and organizations can use the toolkit as a guide into how to launch a small business. The toolkit provides general information about being an entrepreneur, including business, tax, legal and other resources.</p>	✓	✓						
<p>Business Model Canvas <i>Online Resource</i> https://bit.ly/2zSLqWl</p> <p>Mission: Created by Alexander Osterwalder of Strategyzer, The Business Model Canvas is a free tool that organizations can use to help entrepreneurs understand their business model in a straightforward and structured way. The one-page canvas outlines nine key segments helping to analyze products, business opportunities, and the market environment so that entrepreneurs can create their own business model.</p>		✓						
<p>Consumer Financial Protection Bureau <i>National Locations</i> https://www.consumerfinance.gov/</p> <p>Mission: The Consumer Financial Protection Bureau (CFPB) regulates banks, lenders and other financial companies to ensure consumers are being treated fairly. CFPB also provides consumer tools, practitioner resources, data and resources on financial education topics.</p>	✓							
<p>Credit Builders Alliance <i>Based in Washington, DC</i> www.creditbuildersalliance.org</p> <p>Mission: The Credit Builders Alliance (CBA) is a national nonprofit network created for nonprofit members as a bridge to the modern credit reporting system to help millions of individuals build credit in the mainstream financial system. The CBA Reentry Opportunity Toolkit helps returning citizens build credit and stability as they reenter into a community.</p>	✓		✓					✓
<p>DreamBuilder <i>Online Resource</i> www.dreambuilder.org</p> <p>Mission: DreamBuilder offers business education and training to thousands of women all over the world.</p>	✓	✓						
<p>EVERFI <i>National Locations</i> www.everfi.com</p> <p>Mission: EVERFI is a community engagement platform that provides digital curricula to empower teachers to bring critical skills education into their programming.</p>	✓	✓						

National Level Services

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>Goodwill Industries <i>National Locations</i> www.goodwill.org</p> <p>Mission: Goodwill Industries is committed to providing services to individuals who are re-entering the workforce and community after a period of incarceration.</p>	✓							✓
<p>Grow with Google <i>Online Resources</i> www.grow.google</p> <p>Mission: Grow with Google offers free training, tools, and resources to help entrepreneurs grow their skills, career, or business.</p>	✓	✓						
<p>Junior Achievement <i>National Reach</i> www.juniorachievement.org</p> <p>Mission: Junior Achievement is the nation’s largest organization dedicated to giving young people the knowledge and skills they need to own their economic success, plan for their futures, and make smart academic and economic choices. Junior Achievement’s programs—in the core content areas of work readiness, entrepreneurship, and financial literacy—ignite the spark in young people to experience and realize the opportunities and realities of work and life in the 21st century.</p>	✓	✓						
<p>myWay to Credit <i>National Reach</i> www.mywaytocredit.com</p> <p>Mission: myWay to Credit is a marketplace that puts small business owners on a path to credit. Traditional lenders refer small business owners whom they cannot serve directly to be matched with community lenders and mentors.</p>					✓	✓		
<p>SAMHSA <i>National Locations</i> www.samhsa.gov</p> <p>Mission: The Substance Abuse and Mental Health Services Administration (SAMHSA) is the agency within the U.S. Department of Health and Human Services (HHS) that leads public health efforts to advance the behavioral health of the nation and to improve the lives of individuals living with mental and substance use disorders, as well as their families</p>	✓			✓				✓
<p>SCORE <i>National Locations</i> www.score.org</p> <p>Mission: SCORE is the nation’s largest network of volunteer and expert business mentors, dedicated to helping small businesses get off the ground, grow, and achieve their goals.</p>	✓					✓		

National Level Services

Listing of Local and National Services and Resources for Returning Citizens

	Capacity Building Resources	Small Business Education Resources	Credit-Building Services	Trauma-Informed Care Services	Capital Access Resources and Services	Mentoring and Coaching Counseling and	Mental Health Services	Returning Citizen Resources
<p>The Aspen Institute <i>Based in Washington, DC</i> www.aspeninstitute.org</p> <p>Mission: The Aspen Institute is a nonpartisan, educational and policy studies organization fostering leadership. The Prisoner to Proprietor studies entrepreneurship as a reentry strategy. Their pre-release business development programs prepare individuals for reentry by providing participants the support to build self-confidence and economic self-sufficiency.</p>	✓	✓						✓
<p>The Ice House Entrepreneurship Program <i>Online Resource</i> https://elimindset.com/entrepreneurship-programs</p> <p>Mission: The Ice House Entrepreneurship Program is designed to inspire and engage participants in the fundamental aspects of an entrepreneurial mindset. It is designed for broad application in corporate, higher education, high school, youth programs, or workforce development audiences.</p>	✓	✓						
<p>The National Reentry Resource Center <i>Based in New York, NY</i> www.csgjusticecenter.org/nrrc</p> <p>Mission: The National Reentry Resource Center (NRRRC) is the nation's primary source of information and guidance in reentry. The NRRRC delivers training and technical assistance, provides information for people returning to communities and for their families and works to facilitate peer networks and information exchange.</p>								✓
<p>U.S. Small Business Administration <i>National Locations</i> www.sba.gov</p> <p>Mission: The U.S. Small Business Administration (SBA) helps small business owners and entrepreneurs start and grow their small businesses. SBA provides educational tools and resources, technical assistance, and funding opportunities.</p>	✓	✓			✓			

Glossary of Terms Used

C

Community Development Financial Institutions (CDFI)

CDFI's are private financial institutions dedicated to helping low-income and underserved people and communities join the economic mainstream by offering affordable lending options.

Credit Bureau

A credit bureau is an agency that collects and researches individual credit information and sells it to creditors so they can make a decision on granting loans. The three largest credit bureaus in the U.S. are Equifax, Experian, and TransUnion.

Credit Building

Credit building is the act of making on-time monthly payments on a financial product, such as an installment loan or a revolving credit card that is reported to at least one of the major consumer credit bureaus.

Credit Monitoring

Credit monitoring involves a regular review of credit reports for accuracy.

Credit Score

A credit score is a number assigned to a person that indicates to lenders their capacity to repay a loan.

E

Equifax

Equifax is one of the three largest consumer credit reporting agencies. Equifax collects and aggregates information on over 800 million individual consumers and more than 88 million businesses worldwide.

Experian

Experian is one of the three largest consumer credit reporting agencies. Experian collects and aggregates information on over one billion people and businesses including 235 million individual U.S. consumers and more than 25 million U.S. businesses

F

Federal Deposit Insurance Corporation (FDIC)

The FDIC is an independent agency created by Congress to maintain stability and public confidence in the nation's financial system by

- 1) insuring deposits;
- 2) examining and supervising financial institutions for safety and soundness and consumer protection;
- 3) making large and complex financial institutions resolvable; and,
- 4) managing receiverships.

I

Installment Loan

An installment loan is a type of loan where a person borrows a set amount of money all at one time and then repays the loan over a fixed number of payments, called installments.

R

Recidivism

Recidivism refers to a person's relapse into criminal behavior.

Reentry support services

Services provided to recently released returning citizens to support a safe and successful reentry into communities. Examples include, housing, clothes, food, legal counsel, and support in obtaining state identification, social security cards, and enrollment in public benefits.

Rent Reporting

Regular monthly reporting of tenant rent payments to at least one of the major consumer credit bureaus for inclusion on consumer credit reports.

Returning Citizen

A person who was formerly incarcerated.

Revolving Lines of Credit

A type of credit that can be used repeatedly up to a certain limit given the account is open and payments are made on time.

Right-fit Capital

Right-fit capital specifically meets the borrower's needs and enables people to build credit at favorable rates, terms and conditions for specific business needs.

S

Secured Credit Card

A secured card is a bank credit card backed by money that you deposit and keep in a bank account. That account serves as security for the card. If you do not pay your bill, your deposit is usually applied to cover that debt.

SBA 504 Loan Program

A small business loan to purchase commercial real estate or heavy machinery/equipment.

SBA 7(a) Loan Program

A small business loan for working capital, to purchase existing businesses, refinance current business debt or purchase furniture fixtures and supplies.

Small Business Administration (SBA)

Created in 1953, the SBA provides small business owners and entrepreneurs counseling, capital and contracting expertise and resources. The SBA is the only cabinet-level federal agency fully dedicated to small business.

Small Business Investment Company (SBIC)

The SBIC program is one of the SBA's financial assistance programs. An SBIC, or Small Business Investment Company, is a privately owned and managed investment fund that is licensed and regulated by the SBA. An SBIC uses its own capital, plus funds borrowed with an SBA guarantee, to make equity and debt investments in qualifying small businesses.

The SBA does not invest directly into small businesses through its SBIC program but provides funding to qualified investment management firms with expertise in certain sectors or industries.

Soft Inquiry

A soft inquiry, sometimes known as a soft credit check or soft credit pull, happens when you or someone you authorize checks your credit report. A soft inquiry can be seen on a credit report, but the credit bureaus generally don't include inquiries on the reports that creditors receive.

Stabilized Returning Citizens

Stabilized returning citizens are those who have housing, are meeting parole requirements, and are employed with a steady income

T

Technical Assistance

Technical Assistance is non-financial assistance provided by specialists. It can take the form of sharing information and expertise, instruction, skills training, and consulting services.

Trade-line

A trade-line is a record of activity for any type of credit extended to a borrower and reported to a credit reporting agency.

TransUnion

TransUnion is one of the three largest consumer credit reporting agencies. TransUnion collects and aggregates information on over 200 million individual consumers and 65,000 businesses in the U.S.

Trauma-informed Approach

As specified by the U.S. Department of Human and Health Services, a trauma-informed approach reflects the way in which an organization understands trauma and therefore responds by applying trauma-informed principles throughout various levels of its programming and operations

Trusted Guidance

Trusted Guidance is a model of services that provides entrepreneurs with a support system that meets individuals where they are in their small business journey and empowers them to reach their goals. It includes actionable advice paired with access to resources to improve the odds of business success.



Acknowledgements

This toolkit was developed with funding from Capital One. The toolkit was made possible with the support of practitioners and stakeholders who are committed to improving the lives of returning citizens and the communities they live in. The Association for Enterprise Opportunity thanks them for their contributions and for those who generously participated in focus groups, interviews, and pilot programming. We also greatly appreciate the toolkit preparation by **Katie Turner** with support from **Hyacinth Vassell**, as well as **John Sanford** for his policy and advocacy advice. Lastly, we would like to thank **AEO's Communication Team** for their editing support and **Sima Nasr** for her design work.

This toolkit would not have been possible without the support of:

Lori Beyer, *Community Connections*

Carmina Lass, *Credit Builders Alliance*

Rupa Mohan, *Rising Tide Capital*

Tamra Thetford, *Justine PETERSEN*

Shawna Collier, *Justine PETERSEN*

Chad Sanders, *The First 72+*

Kelly Orians, *The First 72+*

Elizabeth Wilson,
Georgia Micro Enterprise Network

About AEO



Founded in 1991, the Association for Enterprise Opportunity is the leading voice of innovation for microfinance and microbusiness. Our mission is to create economic opportunity for underserved entrepreneurs throughout the United States. We engineer transformational change through research, convening, incubation, and advocacy to foster a robust and inclusive marketplace. At over 1,000 members and partners, AEO's membership includes a broad range of organizations that provide capital and services to assist underserved entrepreneurs in starting, stabilizing, and expanding their businesses. Together, we are working to change the way capital and services flow to underserved entrepreneurs, so that they can create jobs and opportunities for all.

Partner with Us

We are always looking for new partners to help us pilot and scale new products and resources aimed at better supporting underserved entrepreneurs. Please contact the Innovations Team (aeoinnovates@aeoworks.org) for more information on how we can work together to help better serve the needs of entrepreneurs.



1310 L Street NW, Suite 830
Washington, DC 20005
202.650.5580
www.aeworks.org

