

Corporation for Enterprise Development ■ ■ ■ 2001 annual report



cfed mission

The Corporation for Enterprise Development fosters widely shared and sustainable economic well-being by promoting asset-building and economic opportunity strategies—primarily in low-income and distressed communities—that bring together community practice, public policy, and private markets in new and effective ways.

cfed vision

The Corporation for Enterprise Development envisions widely shared, sustainable economic well-being in an inclusive, productive economy where everyone is fully engaged and appropriately rewarded.

cfed services

Research & Demonstration
Field Services
Policy Analysis, Design, & Advocacy
Communications

Those who don't know us well may refer to CFED as a think tank. We, however, prefer to think of ourselves as a do tank, not only developing and advocating ideas, but testing them in the marketplace, building systems for applying these ideas, and looking for ways to bring them to scale.

In the 80s we tested the concept of promoting and supporting microenterprise as a way to raise families out of poverty and stimulate local economies. In the 90s we demonstrated that asset building can break the cycle of poverty for low-income, low-wealth workers. And in 2002, CFED will begin to test our next big idea: seeded savings accounts for all American children to bring within their grasp the dreams of education, entrepreneurship, or homeownership.

This report shares a few highlights of how CFED translates ideas into action to promote sound policies and practices that connect people, communities, and economies.



2001 was the fourth year of the **American Dream Demonstration (ADD)**, in which 13 community partners committed to a five-year research initiative with CFED. Designed to test the efficacy of the Individual Development Account (IDA) concept, ADD entered its final year with 2,378 accountholders—exceeding its original goal of 2,000.

The study supplied a wealth of data on IDA savings and variation in programmatic models, providing crucial knowledge to inform the public policy development. To leverage that knowledge, CFED:

- **disseminated lessons learned, best practices, and IDA tools** through a variety of publications, workshops, and online networking

- **recruited, trained, placed, and supported 63 AmeriCorps*VISTA volunteers** to help both fledgling and established IDA programs develop

- **convened a task force** to develop voluntary standards for IDA programs

- **guided development of and advocacy for the Savings for Working Families Act (SWFA)**—a powerful piece of federal legislation in support of IDAs

- **coordinated financial institution input** to help craft the future of the IDA field

- **engaged and convened leading thinkers** from across the philosophical spectrum to debate issues of significance to the individual assets movement

Using savings they amassed as participants in

CFED's American Dream Demonstration, the Triplett family

was able to purchase its first home.

About 55% of the individuals

and families saving in

Individual Development Accounts plan to use their savings to

purchase homes.



The notion of microenterprise has been maturing in the United States for some twenty-odd years, reshaping public opinion about the ability of low-income people to become successful entrepreneurs and build a lasting escape from poverty. In 2001, CFED worked to build a more cohesive microenterprise field by:

- formalizing CFED's National Fund for Enterprise Development as a community development financial institution (CDFI) that will invest \$485,000 in state microenterprise intermediaries to **attract new, otherwise unavailable, state-level funding for microenterprise**
- investing \$100,000 to enable five state partners—in New York, California, Minnesota, Tennessee, and Virginia—to **integrate microenterprise services into each state's welfare infrastructure**
- providing \$160,000 and technical assistance in 16 grants to State Microenterprise Associations (SMAs) to support their **policy advocacy and capacity building**
- **disseminating models for effective microenterprise practice** by launching the *Effective State Policy and Practice* series
- partnering with the Association for Enterprise Opportunity to **further support growing SMAs** through meetings, trainings, and conferences
- **leading the Microenterprise Anti-Poverty Policy Consortium**—a coalition of national policy, research, and practitioner organizations—through the reauthorization of the PRIME Act and a \$5 million federal microenterprise appropriation
- **promoting rural entrepreneurship** through presentations, conferences, and publications

Maria is an entrepreneur who launched her

skin care and make-up consultation

business in September 1998.

CFED invested \$330,000 in microenterprise programs that

help microentrepreneurs like Maria start up businesses and

escape from poverty.



As trends in conventional financial services continue toward consolidation and away from the community, development finance groups are presented with more opportunities than ever before, and an increasingly savvy consumer base clamors for their services. Unfortunately, as CFED's 1998 *Counting on Local Capital* project clearly illustrated, pockets of innovation in the development finance industry have a history of disconnection. In 2001, CFED focused its development finance work on information gathering, coalition building, research, development, and standardization to leverage power throughout the entire industry.

CFED worked to strengthen the development finance field by:

- bringing together the seven leading national development finance organizations and trade associations to create universal definitions for the development finance field
- reaching out to more than 400 CDFIs to gather information on assets, equity, investments and more—essential data in informing national policies to nurture the development finance field
- providing technical assistance to maturing Local Capital Markets Investment Fund (LCMIF) investments and initiating new investments, including financing to support a customer referral process between Nebraska's commercial and micro/small-business lenders
- convening more than 50 innovators to exchange ideas, learn from each other's experiences, and help guide future LCMIF investments
- assessing market opportunities and shaping a strategic community development plan for Citigroup in Delaware
- analyzing loan funds in South Dakota to assess their contribution to the state's economic development



Eddie Walker, a California banker who worked closely with CFED's American Dream Demonstration, is representative of development officers at the more than 400 community development financial institutions that CFED polled to gather information on assets, equity, investments and more—powerful data that is essential in informing national policies that nurture the development finance field.



Policymakers, private sector leaders, and community activists should always measure the success or failure of economic development by the extent to which such efforts improve quality of life. Quality is not limited to the ready availability of jobs. It also includes earnings, natural assets, community services, cultural opportunities, and a host of other important issues. In 2001, CFED sought to educate a wide variety of stakeholders about the complexity and interconnectedness of *effective* economic development.

CFED focused on changing the public debate about business climate by:

- researching and analyzing 70 specific data points to publish online the **15th annual Development Report Card for the States**, which attracted 9,000 visitors and garnered media attention throughout the year
- **advising the California state legislature** on global policies of specific concern to the state and, in particular, its low-income communities
- **providing technical assistance to state fiscal centers in California and Texas** regarding spending on business incentives and improved standards of accountability and cost effectiveness
- contributing to **resolutions on international trade policy** by the U.S. National League of Cities, the Canadian Federation of Municipalities, and the Pacific Northwest Economic Development Region
- **educating practitioners on budget accountability, business subsidy reform, and workforce issues** through conference presentations and publication of the monthly *Accountability* and *Trade and Sustainable Development* electronic newsletters
- **expanding the Economic Development Fellowship Program (EDFP)** to include Spain and Portugal and coordinating four EDFP study tours to facilitate exchange of economic development strategies and ideas between the United States and Europe

CFED's Economic Development Fellowship

Program enables an exchange of economic

development strategies between the United

States and Europe. Here, Theodora Noncheva

of Bulgaria visits the U.S. Department of

Housing and Urban Development YouthBuild

Site in Pittsburgh.



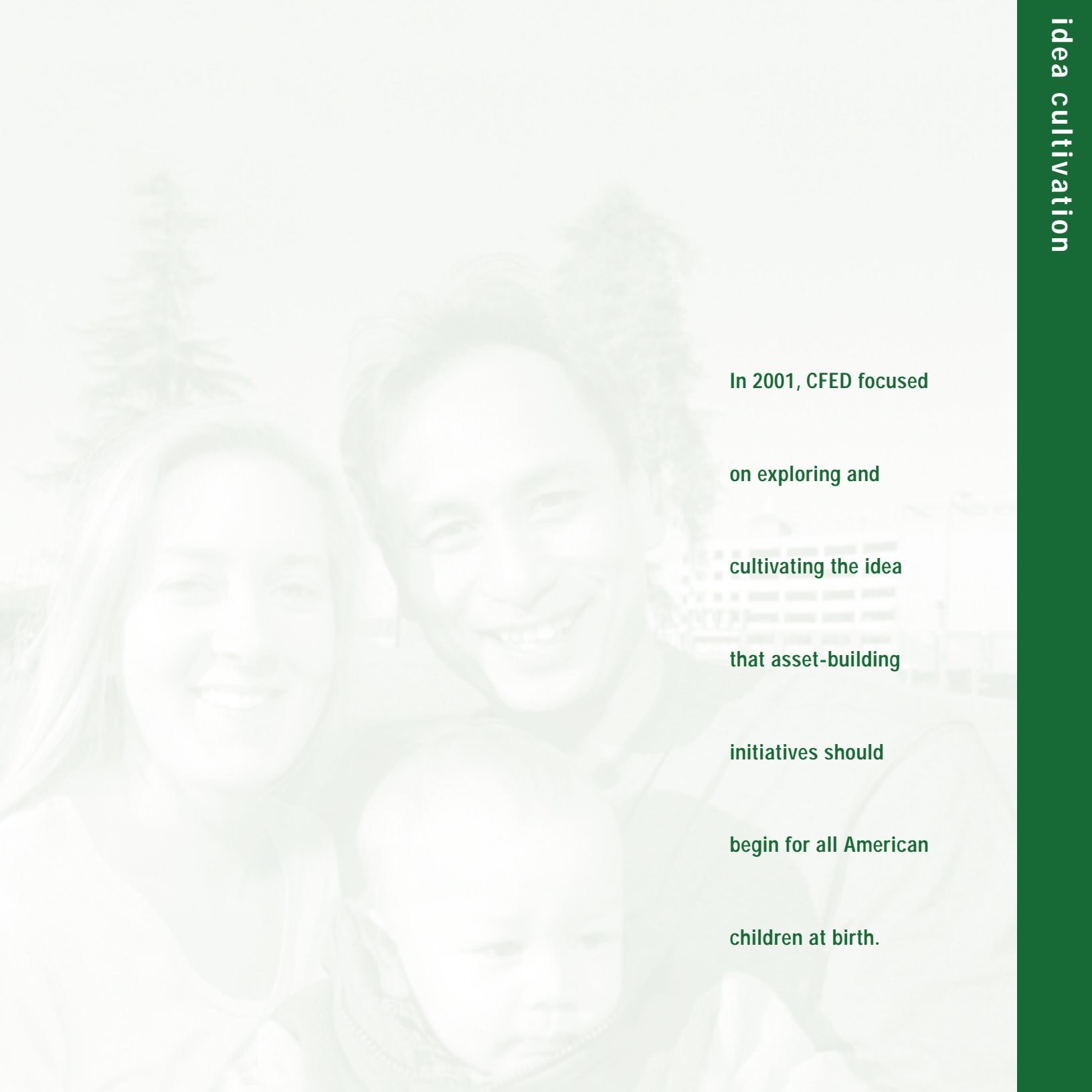
In striving to fulfill our mission of achieving widely shared and sustainable economic well-being, CFED is always looking for the next idea that shows some promise to create an enduring infrastructure to advance low-income communities. In 2001, we focused on exploring and cultivating two big ideas—that **asset-building initiatives should begin for all American children at birth**, and that the **value of natural assets should be carefully stewarded and equally shared among all people**.

CFED cultivated these new ideas by:

- commissioning **12 research projects on various topics associated with families, children, and asset building** in the United States, including but not limited to an analysis of inequality in child well-being; a review of options for financial literacy with children, youth, and families; and an audit of existing state college savings plans
- conducting **13 focus groups in nine different areas of the United States** to discern what policymakers, the general public, parents, and other

potential stakeholders think about savings initiatives that begin for all American children at birth

- designing a demonstration model that will mimic 18 years of deposits, interest, and financial education to **test the efficacy of savings accounts for children**
- formulating a program of work that asserts that **natural resources should be treated as assets to be protected and managed rather than inventory to be liquidated** and that the value derived from these assets should be equally shared by all people
- weighing in to Congress on the urgency of identifying **effective and equitable global warming solutions** that distribute revenues necessary to retrain affected workers, provide energy and economic assistance to low- and moderate-income consumers, finance weatherization and energy conservation efforts, and promote economic development in energy-dependent communities



In 2001, CFED focused
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■ ■ ■ 2001 publications, conferences and training

Publications

2001 Development Report Card for the States

Accountability: The Newsletter of the Business Incentives Reform Clearinghouse

Assets: A Quarterly Update for Innovators

Building Assets: A Report on the Asset-Development and IDA Field

Directory of State IDA Associations

Economic Development Fellowship Program: Directory of Fellows

IDA State Policy Guide: Advancing Public Policies in Support of Individual Development Accounts

Individual Development Accounts for Youth: Lessons from an Emerging Field

Life and Death of the Virginia Eastern Shore Corporation

State Microenterprise Associations: Effective State Policy and Practice

Trade and Sustainable Development: A Newsletter

Conferences and training

IDA Training Institute: provides skills, knowledge, and networks necessary to create, manage, and support effective and efficient IDA programs

2001 IDA Learning Conference: gathers IDA stakeholders from across the nation to learn, share experiences, and plan for the future of IDAs

Annual State Microenterprise Association Convening: fosters peer-to-peer learning and intense training in organizational and policy development

LCMIF Institute: convenes innovators to discuss new products and services that expand access to capital in low-income and underserved communities

■ ■ ■ 2001 partners/investees

ADVOCAP	Harrison Institute	Neighborhood Reinvestment Corporation
Alliance for Minnesota Microenterprise	Heart of America Family Services	New Hampshire Community Loan Fund
Alternatives Federal Credit Union	JK Associates	New Hampshire Microbusiness Partners
Appalachian Regional Commission	Kansas Microenterprise Opportunity	Nonprofit Finance Fund
Association for Enterprise Opportunity	Network	North Carolina Rural Economic
Aspen Institute	MACED-Owsley County Action Team	Development Center, Inc.
Bay Area IDA Collaborative	Massachusetts Micro-Enterprise Coalition	Oregon Microenterprise Network
Capital Area Asset Building Corporation	Mercy Corps.	Pennsylvania Microenterprise Coalition
CDFI Coalition	Microenterprise Council of Maryland	Rhode Island Microenterprise Association
California Association for Microenterprise	Microenterprise Development Alliance of	Shorebank Corporation
Opportunity	Louisiana	Social and Enterprise Development
Center for Social Development	Microenterprise Organization of Ohio	Innovations
Foundation Communities	MicroNet	South Dakota Rural Enterprise, Inc
Central Vermont Community Action	Ms. Foundation for Women	Statewide Emergency Network for Social
Council	National Community Capital Association	and Economic Security
Colorado Alliance for Microenterprise	National Community Investment Fund	Tennessee Network for Community
Initiatives	National Federation of Community	Economic Development
Community Action Project of Tulsa County	Development Credit Unions	Technical Assistance Providers'
Community Development Venture Capital	National Congress for Community	Association
Alliance	Economic Development	Virginia Microenterprise Network
Financial Foundations	Nebraska Microenterprise Opportunity	Wider Opportunities for Women
First State Community Loan Fund	Network	Women Self-Employment Project
Florida Association for Microenterprise	Nebraska Microenterprise Partnership	Women Venture
Georgia Microenterprise Network	Fund	

■ ■ ■ 2001 staff list

During 2001

Fiona Adams

Communications Production
Manager

Shawnice Blakes

Administrative Assistant

Ray Boshara

Policy Director

Beverly Brandon-Simms

Chief Financial Officer

Tom Breslin

Business Information
Manager

Paige Brown

Senior Program Manager

Rene Bryce-Laporte

Senior Program Manager

Cecilia Cuthbert

Office Manager

Brian Dabson

President

Colleen Dailey

Program Manager

Robert Friedman

General Counsel

Peter Genuardi

Program Associate

Inger Giuffrida

Program Director

Matt Hull

Program Manager

Jan Huneke

Senior Program Manager

La Shelle Jenkins

Office Manager

Linda Keeney

Communications Manager

Patricia Kennedy

Program Manager

Melissa Koide

Program Manager

Sara Lawrence

Program Manager

Andrea Levere

Vice President

Eliza Mahony

Program Manager

Jennifer Malkin

Program Associate

Deborah Manley

Employee Services Manager

Kent Marcoux

Program Director

Alonzo Moore

Information Technology
Associate

Leslie Parrish

Program Manager

Kim Pate

Senior Program Manager

Du Pham

Accountant

Carl Rist

Program Director

Bill Schweke

Senior Program Director

Steve Shepelwich

Senior Program Manager

Javier Silva

Program Manager

Anna Smith

Accounting Technician

Sandi Smith

Senior Program Manager

Lesley Stewart

Program Associate

Sean Stickle

Technology Manager

Heather Tyler

Communications Director

Richard Wallach

Communications Systems
Manager

Freddye Wiggins

Receptionist

Karen Wilson

Development Director

■ ■ ■ 2001 board of directors

Current as of December 31, 2001

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CFED
San Francisco, CA

Brian Dabson

President
CFED
Washington, DC

Rebecca Adamson

President
First Nations Development Institute
Fredericksburg, VA

Angela Glover Blackwell

President
PolicyLink
Oakland, CA

William Bynum

President & CEO
Enterprise Corporation of the Delta
Jackson, MS

David Dodson

President
MDC, Inc.
Chapel Hill, NC

Fred Goldberg

Skadden, Arps, Slate, Meagher, Flom, LLP
Washington, DC

Ronald Grzywinski

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Shorebank Corporation
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Maurice Lim Miller

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Program Officer
Rockefeller Philanthropy Advisors
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Chuck Parrish

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Jobs for the Future
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Janet Thompson

Vice President
Citigroup NA
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Joan Wills

Director
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Washington, DC

Grace Young

Concurrent Technologies Corporation
St. Augustine, FL

■ ■ ■ 2001 supporters

Groups & individuals providing more than \$10,000 in 2001

Annie E. Casey Foundation

Citigroup Foundation

Corporation for National Service

Fannie Mae Foundation

The Ford Foundation

Friedman Family Foundation

German Marshall Fund of the United States

William Randolph Hearst Foundation

F.B. Heron Foundation

The Joyce Foundation

Ewing Marion Kauffman Foundation

Levi Strauss Foundation

The John D. and Catherine T. MacArthur Foundation

The Moriah Fund

Charles Stewart Mott Foundation

Rockefeller Brothers Fund

Rockefeller Foundation

Winthrop Rockefeller Foundation

San Francisco Foundation

Alvin and Fanny B. Thalheimer Foundation



Corporation
For Enterprise
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