

## IOWA CENTER FOR ECONOMIC SUCCESS // ASPIRE CHALLENGE APPLICATION

### Organizational Background

Iowa Center for Economic Success empowers Iowans with the potential to succeed as they pursue opportunities for financial success. Founded in 1987 and originally named The Institute of Social & Economic Development (ISED), our focus was on social and economic issues in Iowa. By 1998, ISED began operating Iowa's first—and only, to this day--Women's Business Center (WBC), funded in cooperation with the Small Business Administration (SBA), which serves over 550 entrepreneurs each year. In 2000, we partnered with Iowa Department of Human Services (DHS) and Internal Revenue Service (IRS) to add the Volunteer Income Tax Assistance (VITA) program which enables us to provide free tax prep and planning to Iowans. In 2016, the statewide coalition served over 20,000 Iowans. In 2014, we began managing Iowa Economic Development Authority's microloan portfolio. Last year, we added an in-house loan portfolio through collaboration with Accion and Sam's Club. Now our entrepreneurial education clients can apply for loans under the same roof, and since the program's inception, clients have accessed over \$600,000 of these funds. In 2015, we changed our name to better reflect our primary focus of empowering Iowans to start or grow small businesses. And, last year, we launched Iowa's first all-female angel investing network, FIN Capital. The Iowa Center operates several programs in three focus areas: Education + Resources, Credit + Lending, and Advocacy + Networking. Education + Resources houses the WBC and the VITA program. Advocacy + Networking connects entrepreneurs to mentors through networking events and an online portal, MentorString. FIN Capital, created in 2016, is the first all-women's angel investor network in Iowa; members will consider their first pitch in February 2017. Thanks to MentorString and to statewide partnerships with SBDC, SCORE, the SBA and more, The Iowa Center is working to implement our curriculum statewide. We serve clients regularly in Polk and Dallas counties and have partners in over two-thirds of Iowa's 99 counties.

Among our contact with individuals who have been incarcerated, The Iowa Center has hosted a VITA site at Alternative Legal Placement Program (ALPP) since 2014, and in the early 2000s, the Iowa WBC provided educational programs to residents of Fresh Start Women's Center. There is a growing number of incarcerated individuals in Iowa, and most re-entry facilities have 3 month or more wait-lists. We know we can help.

### Background of Management Teams

- **Michelle Bartusek, Director of Iowa's Women's Business Center (WBC)**, has over ten years of experience working with incarcerated individuals and the low to moderate income population. As an IRS-trained and certified tax preparer, Michelle oversaw the VITA program, led by The Iowa Center, at ALPP from 2014 to 2016. Michelle works to provide direct services to 400+ individuals at The Iowa Center and in the community annually.
- **Amelia Lobo, Director of Credit + Lending**, has been a small business advocate for 10+ years. Prior to joining The Iowa Center in 2011, Amelia worked for ACCION East and Online and CNA Insurance. Amelia started at The Iowa Center as Director of Iowa's Women's Business Center (WBC) but by 2014, pivoted within the organization to become the Director of Credit + Lending. In this role, Amelia manages a small business loan portfolio (in partnership with the IEDA) and two full-time loan associates. Amelia is bilingual in English and Spanish.
- **Emily Betts Susanin, Project Manager (WBC)**, earned her MBA and has over five years of client service experience. She has grown the WBC's programming immensely in her four months with The Iowa Center. Emily is responsible for maintaining and scheduling WBC programming, clients, mentors, and more. Emily is the official contact for the Aspire Challenge and can be reached at [ebSusanin@theiowacenter.org](mailto:ebSusanin@theiowacenter.org) or 515.283.0940

## Entrepreneurial Education

**Participant Recruitment Plan:** As a winner of the Aspire Challenge, The Iowa Center will take the time to engage previously incarcerated adult females and males in Polk, Dallas, and surrounding counties, thanks to partnerships with organizations already working with individuals who have been previously incarcerated including: ALPP Institute, Beacon of Life, and Fresh Start Women's Center.

For the last two years, ALPP Institute has worked with The Iowa Center's Volunteer Income Tax Assistance (VITA) team. ALPP's mission is to provide a comprehensive solution for reducing jail census and lowering recidivism through treatment, jail diversion, and community reintroduction. ALPP's staff is looking to amplify educational and financial literacy programming through monthly presentations by The Iowa Center. The Iowa Center has a three-year relationship with Nadjy Lincoln, ALPP's Employment + Financial Literacy Coordinator, who believes The Iowa Center can provide more comprehensive, direct educational and financial services for the residents of ALPP. Many ALPP guests come out of prison with the need for credit repair or the desire to have discussions about self-employment opportunities. Nadjy and her team want The Iowa Center to provide education based around professional development, business skills, and credit rebuilding. Individuals interested in continuing their education at The Iowa Center headquarters during or after their time with ALPP would be encouraged to attend all classes (including our 10-week business plan building class DreamBuilder) and presentations hosted at The Iowa Center. The Iowa Center is less than five miles from ALPP; group rides to or from our location are an option for residents.

Beacon of Life, a 35-year-old Des Moines-based organization has been a guiding light for women experiencing homelessness due to trauma, substance abuse, domestic violence, and incarceration. Eighty-five percent of their residents are rebuilding self-sufficiency after being involved in the criminal justice system. Beacon of Life is looking to The Iowa Center for education regarding professional soft skills, social media best practices, and saving techniques. They have asked staff of The Iowa Center (and a select few mentors) to lead a monthly educational series at their location. The DreamBuilder curriculum is a great fit for some of their residents who are in later stages of their stay at Beacon of Life and have progressed to the highest level in their system. Executive Director Keshia Meissner has been with the organization for over five years and is excited to implement pieces of our curriculum.

Fresh Start Women's Center has been in operation for over 20 years. The residential portion of Fresh Start operates as a forty-eight bed facility housing female offenders, while at any given time, they have over 600 non-residents visiting their location for classes, meetings with their parole or probation officer, or to utilize other resources offered at Fresh Start. Fresh Start asked The Iowa Center to facilitate and host FocusME classes at their location as well as quarterly sessions on credit counseling and credit building for their interested clients. Angela Karaidos, who has been with Fresh Start for 11 years, is the Residential Manager of the Fresh Start Women's Center. She is our contact who will work with us to finalize times and dates for our programming.

**Classroom Instruction:** Last year, Iowa's WBC served over 500 low to moderate income Iowans through group sessions, classes, and one-on-one counseling. This year, we hope to serve over 1,000 individuals, and are on the trajectory to do so, after working with over 30 clients one-on-one and over 60 clients in our January 2017 group sessions alone.

The WBC has existing curriculum and entrepreneurial education that we are prepared to take on the road and gear toward individuals who have been previously incarcerated. The curriculums include, but are not limited to: DreamBuilder, DreamBuilder Accelerated (our 3-week condensed business planning class), Entrepreneur Readiness Assessment (ERA), Working for Yourself at Any Age (which includes a self-SWOT analysis, Q&A, and discussion), Financial Management for a Small Business (an SBA/FDIC curriculum), various business 101 topics,

FocusME (a class for entrepreneurial-minded women to support each other with connections and accountability as each sets her own professional and personal goals), several different savings and credit presentations, small business planning seminars, and more. We host daily sessions almost every day of the week: during Mondays for Money, we explain how businesses are generally funded (Personal Funds; Friends and Family; Microloans; Bank Loans). We also explore equity financing (Angel/Venture), crowdfunding, grants, and business contests that clients can consider. We explain how lenders and investors make their funding decisions. We also host Topical Tuesdays (led by volunteer subject matter experts), Noon Sessions on Wednesday (which include information on all The Iowa Center's programming), Volunteer Thursdays (where volunteers pop in and learn how they can get engaged), and First Fridays (a monthly storytelling series). More can be found on our schedule at [www.theiowacenter.org/classes](http://www.theiowacenter.org/classes). Most of our classes are free to attend and open to the public.

The goal of DreamBuilder is to educate participants as they write and finish their business plan. Most classes are supplemented with subject matter experts who speak on everything from finance to marketing to leadership to basic accounting. DreamBuilder is open to individuals interested in starting a business, that have a working e-mail address and access to a computer (though The Iowa Center can assist in setting up e-mail for clients or provide them access to a computer). The Iowa Center requires DreamBuilder clients to use e-mail, because the class is run in part via an online learning portal which include online assessments, homework assignments, and group projects. ALPP is interested in opening DreamBuilder up to its residents two times a year, and education around what DreamBuilder is would be shared with all clients of ALPP, Beacon of Life, and Fresh Start.

All classes at The Iowa Center are focused on not only theory and instruction, but application. Each class is led by experts, mentors, or staff of The Iowa Center and includes an assessment that encourages the participants to think of their own goals, business plans, or ideas and how they fit in to the big picture. We find that having each participant apply their own idea or goal directly to the material is key to understanding the content. We are both teachers and coaches at The Iowa Center and believe by both showing and telling our clients how to save, market, grow, and develop, they will be able to put the methods to practice.

**Mentoring:** Thanks to our community following, local partners, board of directors, Strategic Advisory committee, and a dedicated staff, The Iowa Center has over 50 volunteer mentors who give of their time and expertise to our clients. In 2016 alone, we had over \$65,000 in in-kind hours donated by our mentors. In late 2016, Propositions, a local company, partnered with The Iowa Center to offer clients and mentors use of an online mentoring platform, MentorString. It enables our clients to utilize virtual mentoring and tap into collaborative technology. Its many unique features allow users to architect their own communication strings between those who have information and those who are seeking it.

MentorString enhances our current services, including in-depth business counseling, online training, and peer-to-peer learning as we work to help entrepreneurs start, expand, and successfully manage businesses. By combining mentoring tools with secure social collaboration, this software changes how The Iowa Center connects clients to our working professional volunteers and other resources.

**Community Connections:** We organize networking events with our partnering organizations (such as Speed Networking with SCORE) as well as other community groups (such as the West Des Moines Incubator, area small business owners, the DSM Girl Gang, Gravitare (a shared co-working space) and more). We facilitate strong personal and social relationship building within classes and cohorts and host monthly events so our clients/mentors can connect with one another. Numerous trade associations include us in their events and are a resource for our clients as appropriate. We have relationships with Wells Fargo, Veridian Credit Union, and Community Choice Credit Union, for our clients who come to us for credit rebuilding, as each of those three institutions offers secure credit card accounts. We also work with individual commercial lenders who can help clients prepare their loan applications.

## Access to Capital

Iowa Center for Economic Success operates two microloan funds. The larger fund is a collaboration between our organization and the Iowa Economic Development Authority (IEDA). These loans are restricted to businesses owned by individuals who are: female; members of a racial or ethnic minority; have disabilities that affect a major life function; or who are U.S. veterans with service connected disabilities. Businesses must be in Iowa, for profit, and have less than \$4,000,000 in annual gross income. Individuals who are formerly incarcerated are eligible for these funds. Our in-house fund provides up to \$15,000 to individuals who do not qualify for Targeted Small Business Loan funds. These individuals do not qualify because they are a) not members of the Targeted Classes or b) need less than \$5,000, which is the TSB loan program minimum. The advantage for the borrower in terms of using the non-TSB program is that we will report the borrower's payment history to the credit bureaus, thereby providing the borrower with the opportunity to establish or reestablish their credit history.

Generally, clients apply for our loan funds after a referral from one of our community partners or a bank. We regularly send mailers to businesses in industries or sectors we think would qualify for a loan. Formerly incarcerated individuals would most likely be referred by our Women's Business Center staff or by our community partners. The loan application is online and available in English and Spanish. Our staff can help applicants complete the online application and collect the documents needed for underwriting. Once the application is complete, we review the person's credit history, financials, business plan, etc. and determine whether they are loan ready. We encourage our clients to understand their credit history prior to starting a business. We encourage those with limited credit or savings to consider scaling down their business plans so they can make a small investment, prove themselves, and then grow.

If a client has damaged or limited credit, we sit down with him/her to review that credit history and determine whether and how he/she can improve it. We do not force clients to make payments if they cannot afford to do so. We help clients write letters to creditors to contest collections that have been paid or that do not belong to the client. For clients that simply have "slim" credit files, we generally recommend obtaining a secured credit card.

If we feel the business owner is a good match for angel or venture capital, we refer them to specialists who can help them prepare for those possibilities. We refer clients to organizations such as (but not limited to): VentureNet, a firm that helps prepare companies' pitch to angel investors and venture capitalists; University of Iowa Venture School; and SquareOne DSM (which also mentors companies with high potential for growth).