



BUILDING BUSINESSES, BUILDING FUTURES CONTESTANT CAPACITY

1. Organizational Background

Founded in 1988, the Women's Economic Self-Sufficiency Team dba WESST is New Mexico's 2nd largest economic development organization. While WESST serves anyone in pursuit of business and financial capacity-building services, the organization specifically targets women, minorities, and low-income individuals as reflected by its client demographics: 65% female, 65% low-income and 60% minority.

WESST's mission is to be a home to entrepreneurs. We provide a support system for our clients so they can successfully grow their business through market penetration, job creation and capital accumulation. Business development and access to capital programs are delivered through its regional office networks in Albuquerque, Farmington, Las Cruces, Rio Rancho, Roswell and Santa Fe. Since inception, WESST has: conducted financial literacy and business training for over 25,000 New Mexicans; facilitated the start-up and growth of over 2,850 small businesses; helped to create over 4,275 jobs; and loaned over \$6.5 million to 650 borrowers.

In 2013, WESST began a strategic partnership with Fathers Building Futures (FBF), an Albuquerque-based Reentry program whose mission is to "ensure parents facing barriers after incarceration have the best chances for stability: emotionally, socially, and financially." FBF is a social enterprise providing job training and employment in auto detailing, mobile power washing, woodworking, and truck driving. Approximately 7% of their 300+ past participants have reached out to WESST with interest in starting their own business. While WESST has worked on an ad-hoc basis with FBF on financial education, developing banking habits, decreasing debt and increasing savings, including WESST's IDA matched savings program, there remains a significant service gap for business development support for formerly incarcerated individuals. Aspire Challenge Grant funding would help fill this gap. Official FBF Contact Person: Emet Ma'ayan; Tel: (505)269-3054; Email: Emet@FathersBuildingFutures.org

2. Background of Management Team

WESST has a highly qualified and experienced staff that provides the majority of client services in the areas of business training, consulting, incubation and lending. The majority have MBA's, business or finance degrees and a significant level of entrepreneurial experience. Most importantly, each professional staff member is committed and passionate about WESST's mission and can effectively communicate with clients at all stages of the business development process.

Key personnel for the proposed project include: **Kim Blueher**, Vice President of Lending. A former commercial banker, Ms. Blueher holds an MBA in Finance from the University of New Mexico (UNM). **Clint Reecer**, Albuquerque Regional Manager holds both a BBA in Finance and an MBA in Management of Technology, both from UNM. **Julianna Silva** is the Managing Director of WESST's mixed used incubation program. An entrepreneur and native of Albuquerque, Ms. Silva has extensive experience in business operations, bookkeeping, marketing, HR and IT. **Zoe Otero Martinez**, WESST's Financial Literacy Program Coordinator will oversee all activities involved in participant recruitment, screening, and financial literacy training and savings components of the project. She previously was the Director of Education for Junior Achievement where she managed financial literacy programs for youth across the state and has served as a trainer and mentor to the Reentry Community since 2013.

ENTREPRENEURIAL EDUCATION DELIVERY SOLUTION

1. **Participant Recruitment Plan** – WESST will partner with Fathers Building Futures who will act as the primary liaison to other organizations serving formerly incarcerated individuals through their CADETS Coalition (Coalition for the Advancement and Development of Employment Training Services) which represents reentry organizations, employers and government entities who all seek to ensure employment and financial stability for the target population. The Coalition includes Crossroads for Women, a 501c3, which provides comprehensive, integrated services that support successful reentry, sustainable recovery and secure futures for women who have been incarcerated and/or homeless.

Utilizing CADETS as a referral base and a pipeline, WESST will be able to leverage the impact of Aspire Challenge funding. The agencies partnering with WESST have a proven track record designing and implementing strategies to engage employers in hiring people with criminal records and WESST already has a model program for entrepreneurship.

Combined with the outreach and mentorship provided by CADET members, WESST will take interested Aspire Challenge participants through an **Individual Assessment** process prior to any classroom instruction. The assessment is designed to identify the skills and experience of each individual participant and their commitment to self-employment training. Priority will be given to those formerly incarcerated individuals who have:

- Previous or current entrepreneurial experience
- Prior work experience in their proposed self-employment activity.
- A personal commitment to completing the training program.
- A reliable source of income and/or stable housing and living situation that supports them as they start their business.

2. **Classroom Instruction - Building Your Dream: Business Planning Tools for Formerly Incarcerated Individuals**

Over the course of several years, WESST has developed an intensive entrepreneurship training program that will assist formerly incarcerated individuals with developing the skills they need to be small business owners. Entitled “Building Your Dream”, the program is a hybrid-online training course that blends classroom instruction with online research and homework. Aspire Challenge participants will complete the majority of the program utilizing the DreamBuilder online learning system, created by the Thunderbird School of Management and the Freeport-McMoran Foundation. This extensive, self-paced curriculum is composed of 13 online “homework” modules that walk students through the essential components of a business plan, including product & market development, marketing strategy, product pricing, contracting and financial performance. As participants explore their vision by answering questions in each module, the DreamBuilder system populates their responses into a pre-formatted business plan which can then be further refined. At the conclusion of the course, each participant will have a refined, tangible business plan they can use to begin their venture and/or seek funding.

To supplement the online instruction, participants in the “Building Your Dream” program are required to attend four 90-minute live classroom sessions, hosted every other week by a WESST business consultant over the course of 8 weeks. The information provided in the live classes supplements the work students complete online, and includes topics such as business modeling, customer discovery and localized legal & registration requirements for New Mexico. The live classes also allow students to develop a cohort and share knowledge via group work with each other, as well as interface and feedback from the instructor.

3. **Mentoring** - Since formerly incarcerated entrepreneurs face significant additional barriers to starting a business, class time and online practice will be supplemented by a 1:1 mentor and the on-going case management services provided by their respective host agency. Fathers Building Futures and the CADETS Coalition incorporate a strong mentorship model. Support from the Challenge Grant will augment the already existing mentorship component so that 1:1 mentors are provided to each Aspire participant. Included among these mentorship services is assistance and education related to personal finances, budgeting, child support compliancy, family stabilization and access to health & wellness resources.

In addition to the “reentry” mentorship provided through CADET Coalition members, each Aspire participant will have access to *individualized* business assistance from WESST of up to 15 hours per participant. Business mentors provided by WESST will tailor assistance for each Aspire Challenge participant so that business start-up is realized. Among the resources participants will have access to are the strategic partners and business consultants who provide pro bono expertise to WESST clients.

4. **Community Connections** - As noted above, a critical component of the proposed project are the case management, mentorship services provide by the CADETS Coalition. For a project like this to be successful, it will indeed take a village. The Coalition represents a broad cross section of community groups – all of whom are committed to helping formerly incarcerated individuals successfully transition to life on the outside. Collectively, while a primary focus of the Coalition is to provide employment training, we recognize that many individuals pursuing self-employment maintain part or full time employment while planning for their business. Below is the list of members:

- **Fathers Building Futures:** social enterprise providing employment training and wrap around services for formerly incarcerated parents including 25+ clients from BJA’s Second Chance Mentoring Program awarded to PB&J Family Services (2015-CY-BX-0016)
- **Crossroads for Women:** residential program providing trauma informed case management with wrap around services and intensive case management for formerly incarcerated and/or homeless women.
- **The Roadrunner Food Bank of New Mexico:** paid internships, on-the-job training, and job placement in warehousing, distribution, and CDL.
- **The New Mexico Workforce Connection:** funding for on-the-job training, pre-employment training, employer support
- **United States Probation and Pretrial Services:** Second Chance Act funding, pre-employment classes facilitated by National Institute of Corrections trained Offender Workforce Development Specialists (OWDS), funding for on-the-job training, vocational certifications, employment tools and licensure, transportation, childcare, and job retention
- **The New Mexico Division of Vocational Rehabilitation (DVR):** On-the-job training, employment tools, transportation, and career specialist support
- **Jiffy-Lube:** On-the-job training, advanced automotive training, gainful employment
- **Gandy Dancer:** Training and gainful employment in welding, heavy equipment, CDL, railroad excavation, freight transport and distribution
- **Help NM:** funding for on-the-job training and job advancement
- **Pueblo of Jemez Vocational Rehabilitation Program:** Pre-employment training, funding for on-the-job training
- **Central New Mexico Community College:** GED, fast-track vocational certification, CDL
- **The University of New Mexico:** Adult education, career services
- **Associated General Contractors of America (AGC):** OSHA training, construction technology training, and job placement with major contractors.

ACCESS TO CAPITAL

1. Access to Microlending - An experienced SBA microloan lender, WESST provides access to start-up and growth capital to individuals and businesses in New Mexico. To prepare clients for accessing capital, WESST pulls credit reports and works with clients to identify ways to resolve credit issues as needed. WESST staff can assist with drafting dispute letters and making telephone calls on the client's behalf, as appropriate. Qualified Aspire Challenge participants will be able to apply for loans ranging from \$250 to \$10,000. Where appropriate, WESST will also extend very small credit builder loans between \$50 to \$250 to participants as an introduction to the lending process. These loans are made to clients who require small amounts of capital for business cards, business licenses, and who wish to establish or build credit.

The objectives of WESST's Microloan Fund are to:

1. Increase economic self-sufficiency through self-employment;
2. Educate and train loan fund applicants in issues related to sound financial management practices for their businesses;
3. Assist applicants in preparing their loan package, including business plan, marketing and financial analysis assistance; and
4. Increase the potential for access to conventional financing sources for those with low incomes.

2. Connection to Capital and Funding Opportunities

WESST works closely with banks and other alternative lenders in New Mexico to improve access to capital for start-up and existing business owners. This includes the many SBA loan programs and WESST will continue to promote all of these financing opportunities to participants who can qualify for them. We believe however, that a more realistic link to capital for formerly incarcerated individuals can be provided through WESST's Individual Development Account (IDA) program which comprises two key components:

- A) Financial Literacy Training** - including sessions on: 1) All About Credit; 2) Personal Finances; 3) Credit Repair; 4) Recordkeeping; 5) Basic Investing; and 6) Small Business Financing. In addition, project staff will provide ongoing technical assistance on credit and money management to participants who complete intensive financial literacy training on an as-needed basis.
- B) Savings Component** - After completing the required financial literacy course, participants open IDA accounts at Wells Fargo Bank and begin making monthly deposits from earned income. Up to \$25 per month is matched at a rate of 7:1 (\$175 match for every \$25 deposit) over a two-year period, with the goal of accumulating \$4,000 in total savings (\$500 participant savings and \$3,500 match). The funds can only be used to acquire high-value assets i.e., for the down payment on a first home, capitalizing a small business, or post-secondary education expenses. WESST's IDA program provides incentives that enable low-income individuals to establish sound financial habits that can break cycles of poverty and debt, and eventually lead to self-sufficiency.

Project Goals

With support from Aspire Challenge funding, we anticipate that 20 formerly incarcerated individuals will participate in two training cohorts with an estimated 10 business starts by the end of the project period.