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**Representing the Poor and Homeless:  
Innovations in Advocacy  
Tackling Homelessness Through Economic Self-Sufficiency**

Susan R. Jones \*

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Addressing the needs of homeless people is a formidable challenge because the causes of homelessness are complex. The homeless population is diverse, no longer consisting of primarily transient adult males. Homeless people include women, families with children, the mentally ill, persons dependent on drugs and alcohol and the unemployed. Homelessness is caused by the shortage of affordable housing, poverty, low wage work insufficient to pay for basic living expenses, and the lack of services to help people overcome personal challenges such as mental and physical health problems and alcohol and substance abuse.<sup>1</sup>

Statistics show that: 10.5 million renters compete for 6.1 million low-income housing units; 4.4 million people lack an affordable place to live; at least 2.3 million Americans (nearly one percent of the U.S. population) are likely to experience a period of homelessness; 750,000 people are homeless on any given night; families with children make up 37% of homeless Americans and they are the largest group of homeless in rural areas; 14% of homeless people are veterans; 21% of homeless Americans are working; 14% are single women; and 63% have suffered domestic violence by a male partner.<sup>2</sup> Given these statistics and the depth of the problems, the unfettered market cannot be fully relied on to deliver decent, safe and affordable housing to the poor without some form of government assistance. While the need to create affordable housing is essential, scholars stress the need to move away from the initial short-term shelter thrust of the homelessness movement to a policy that combines housing, income and social services, the three key elements in new policies for homeless people. Moreover, proponents of strategies to end homelessness proffer that these elements must be combined with efficient community organization principles, expanded resources, and empowerment as well as strategic litigation.<sup>3</sup>

This essay explores economic self-sufficiency through avenues such as microenterprise development,<sup>4</sup> a rapidly growing and innovative strategy in advocacy for the poor, homeless and other persons in need such as dislocated workers and domestic violence survivors. It looks at innovative job training in the context of supportive housing and/or supportive services, and public policy incentives such as tax credits to sustain homelessness advocacy. To inform the daily work of lawyers representing homeless people and their advocates, this essay also provides practical examples of economic self-sufficiency innovations and discusses current trends in philanthropy, which potentially impact the viability of the programs cited and models like them. It concludes that economic self-sufficiency strategy such as microenterprise development is as valuable for

homeless people as it is for others when coupled with housing and other supportive services.

### I. Is Microenterprise Development a Viable Tool for Homelessness Advocacy?

Microenterprise development is a tool for homelessness advocacy that is part of a larger menu of supportive services. The microenterprise industry, with its roots in housing and women's economic development, is a natural ally, supporter and contributor to homelessness efforts. The first task, is locating housing but maintaining a home requires income. The self-employment objective contemplated by the intersection of microenterprise and homelessness advocacy is creating "a job of one's own." The reality is there are not enough good paying jobs in the right locations for some workers, particularly those with low skills.<sup>5</sup> The microenterprise development alternative may work for only a small percentage of the overall homeless population but it is an important tool because of its human capital potential.<sup>6</sup> Lawyers and homelessness advocates might choose to emphasize the creation or expansion of programs working with a particular sector of the homeless population, for example, youth,<sup>7</sup> domestic violence survivors, dislocated workers or disabled homeless.<sup>8</sup>

#### JOE'S STORY <sup>9</sup>

Joe is a 47-year old man who is a participant in Faith Ministry's Building Assets Microenterprise Group [Faith Ministry]. He is currently living in transitional housing provided by Faith Ministry and participating in a fatherhood project designed to reunite fathers and children.<sup>10</sup> During high school, Joe excelled in woodworking. After graduating he became an apprentice with a well-known carpenter and house builder. He was then drafted to serve in the Vietnam War. He married about ten years ago and has two school age children. He is currently estranged from his family and has not lived with them for the last two years. Joe abused alcohol for at least half of his life and found it difficult to work for other people in the past because of his drinking and because he has not had a permanent home. Now with the social service support he gets in transitional housing, he wants to take up his old trade as a carpenter and start a handyman business. He is now in an alcohol recovery program and is working with Faith Ministry to determine whether he can start his own handyman business. At present, Joe is receiving general public assistance and he is exploring use of his Veterans' Administration benefits. He is now in the tenth week of Faith Ministry's program where he has learned about marketing, accounting, legal requirements, and business regulations. A volunteer lawyer has agreed to help him structure his business, assist him with getting the appropriate business licenses,<sup>11</sup> and, along with the microenterprise program staff, help him apply for a \$1000 loan for tools and equipment and business start-up expenses. The lawyer, also a Vietnam Veteran, has agreed to serve as Joe's personal mentor. Joe is very motivated by the idea of starting his own business. He attributes his current successes-sobriety, temporary housing, participating in a microenterprise program-to the possibility that he can start something on his own and try to reunite with his family.

## II. A Brief Overview of Microenterprise Development

A microenterprise in the U.S. is often defined as a sole-proprietorship, partnership or family business that has fewer than five employees, does not generally have access to the commercial banking sector, can initially utilize a loan of less than \$25,000 to start or expand a business that usually grosses less than \$250,000 per year.<sup>12</sup> The technical assistance and loans are dispensed through more than 700 microenterprise development programs in fifty states and the District of Columbia.<sup>13</sup> These programs often serve targeted groups and regions such as persons moving from welfare to work, the physically challenged, minorities, rural areas and Native American regions. Some microenterprise programs developed from women's economic development organizations and assist a range of economic groups - from low wage workers to welfare recipients. Other programs were created to expand the work of Community Action Agencies and Community Development Corporations and respond to needs of low-income people. Today, microenterprise development programs are operated as stand-alone programs or as part of multipurpose organizations with purposes ranging from affordable housing creation and retention, employment and training, women and minority development, economic development and social services.<sup>14</sup>

The U.S. microenterprise industry originated in the early 1980's and is based on models of micro credit in Latin America, Africa, Asia and other parts of the developing world. One of the most famous and successful models is the Grameen Bank in Bangladesh, which now lends over \$6 million dollars a month to more than 690,000 members (92% of whom are women) in 14,000 villages throughout Bangladesh.<sup>15</sup> A Hallmark of international micro credit models is "peer" or "circle lending" in which loans made to a group of three to five people are distributed through the group and secured by moral collateral. A default by one person halts further lending to the group. Most U.S. programs lend to individuals. Individual loans are usually for greater amounts of money than group loans.<sup>16</sup> Microentrepreneurs also consist of repeat borrowers, first receiving very small loans of \$500 to \$1000. After the initial loan is repaid, a new loan is "stepped up" to a larger amount based on need and business growth.<sup>17</sup> Advocates of microenterprise distinguish the U.S. industry from its international counterpart because American society is not as homogeneous as other societies. The cultural and community norms for money lending are different in the U.S. The legal, regulatory and tax requirements for establishing a small business are often more onerous than in other parts of the world.

### A. The Success of Microenterprise: Increasing Income for Poor People

Generally, the uses of microenterprise are broad, including full self-employment, income patching<sup>18</sup> and job readiness.<sup>19</sup> Given this reality, the self-reflective microenterprise industry is examining best practices in assisting diverse groups of microentrepreneurs. A recent report from the Aspen Institute's Self-Employment Learning Project (SELP) tracked 403 low-income entrepreneurs from 1991 through 1997 and found that 72% of low-income microentrepreneurs experienced gains in income; 53% had household

income gains large enough to move them out of poverty; microentrepreneurs in the study reduced their reliance on public assistance by 61%; and the business survival rate was 49%, comparable to national statistics for business success. The study also estimates, based on statistics from the U.S. Small Business Administration, the U.S. Department of Commerce and the U.S. Department of Labor, that while there are 2-3 million low-income entrepreneurs, the industry has been able to serve only a small fraction of them.<sup>20</sup>

Other studies focus on microenterprise service sectors such as refugees and immigrants, and the use of microenterprise programs for TANF recipients and youth.<sup>21</sup> The viability of self-employment as a component of services for exoffenders, many of whom have difficulty finding employment, also deserves exploration.<sup>22</sup>

Overall, the U.S. microenterprise industry boasts impressive statistics. There are three hundred and forty-one microenterprise programs listed in the 1999 Directory of U.S. Microenterprise Programs, 283 of these are practitioner programs,<sup>23</sup> which provide loans and/or technical assistance to microentrepreneurs. In 1997, these practitioner agencies served 57,125 individuals; 6,153 were borrowers and 50,972 were non-borrowers who received training and technical assistance; 24,145 businesses were assisted in 1997 and of these 10,791 were more than 12 months old while 7,054 were not operating businesses when they came to the program; practitioner programs loaned \$33,262,529 to microentrepreneurs. Since these programs were established they have served a cumulative total of 250,017 participants and disbursed more than \$160 million in loans to microentrepreneurs.<sup>24</sup>

The success of microenterprise is also reflected in a strong membership association. Since 1991, the industry has been represented by the Association for Enterprise Opportunity (AEO), the only national member-based association dedicated to microenterprise development. Representing the U.S. microenterprise agenda, AEO provides members with a forum, information and a voice to promote enterprise opportunity for people and communities with limited access to economic resources.<sup>25</sup> The industry has advocated for increased technical assistance in the form of grant subsidies, business incubators and the development of sectoral markets or shared networking clusters.<sup>26</sup>

## B. Pros and Cons of Microenterprise Development

Critics of microenterprise raise several concerns. They question whether microenterprise is sound public policy given that the programs are expensive to maintain and there are limited economic resources for social programs. Many microenterprise programs have high overhead costs because of technical assistance and business training and are not self-sufficient. Even though interest rates are competitive, smaller loans are costly to underwrite. Unlike their international counterparts, the U.S. regulatory, tax and legal systems are complex, making it harder to establish a small business in America than in many of the countries in which microenterprises flourish. Critics also argue that there is only a small percentage of possible microentrepreneurs in the U.S. population. Unlike

international microcredit models which sometimes charge high interest rates considered usurious in the U.S. and which may be economically self-sufficient, it is unlikely that many domestic microenterprise programs will be economically self-sufficient and may always need some public subsidy.<sup>27</sup> As a result, many are concerned that microenterprise is “oversold” and touted as the “answer to poverty alleviation.”

Homelessness advocates are especially uneasy about the tendency of welfare departments, for example, to think that businesses such as childcare are a good route for clients even though they often pay very low wages and may allow few chances for escaping poverty.<sup>28</sup> Microenterprise is not “the answer to poverty” and blind reliance on this anti-poverty option is likewise not the answer, yet the Aspen Institute study found that 72% of low-income microentrepreneurs experienced income gains and 53% had enough household income gain to move them out of poverty.<sup>29</sup>

Microenterprise critics also levy a category of arguments, which has yet to find evidentiary support in studies about microenterprise. These critics argue that microbusinesses are more likely to fail than mainstream businesses because the owners lack business experience or formal education; industry specific microbusinesses such as child care and garment industry work, operated by those less able to protect themselves may contribute to the oppression of the group; and caution that they may become sweatshops. To the contrary, the Aspen Institute Study found that microenterprise business survival rates of 49% were comparable to national statistics for business survival. Moreover, it is arguable that the presence of technical assistance for microentrepreneurs may help to combat sweatshop abuses, which can occur with small businesses that do not have such support.

Other critics maintain it is “doubtful that microenterprise will increase the capacity for well-being for welfare dependent persons.”<sup>30</sup> “Successful entrepreneurs and welfare-dependent persons are statistically distinct groups. They have predictably different personal situations and economic resources. These differences strongly suggest that self-employment through small business may not be an appropriate antipoverty strategy for welfare dependent persons.”<sup>31</sup>

Some of these critics fail to recognize a more comprehensive understanding of the nature, uses and benefits of microenterprise development. Microenterprise is not a panacea and may not work for everyone, yet it is working for many who are serious and dedicated, often as an income patching strategy for low-wage workers.<sup>32</sup> Sometimes people are able to make viable businesses out of hobbies or special talents or interests such as sewing or cooking. Self-employment does not depend on traditional educational credentials, allows women with children who have child care concerns to work from home or makes childcare more accessible by locating the workplace closer to child care. There are a variety of service jobs in neighborhood commercial niches such as barber and beauty shops, carpentry and lawn care. In a larger community economic development context, neighborhood small businesses can provide long-term models of economic enfranchisement for neighborhood residents. Self-employment has human capital potential to generate income that far exceeds the minimum wage. It can help to break the cycle of isolation, dependency and homelessness by providing economic literacy and

basic business skills and restore responsibility, dignity, self-esteem, initiative and other personal assets such as leadership ability, personal and business confidence.<sup>33</sup> Indeed, a number of microenterprise programs particularly those for welfare dependent persons emphasize economic literacy as a key feature.<sup>34</sup>

Another group of critics urges the microenterprise and legal communities to document the human capital potential of microenterprise development.<sup>35</sup> Applying a feminist critique of microenterprise development, Professor Lucie White observes that microenterprise has been supported by poverty activists in clinical legal education: “In the same way that some loan circles have produced far-reaching results, some legal clinicians have set up exemplary programs for politically and socially empowering low-income women through the vehicle of assisting them with micro-business planning. Yet, the paths toward empowerment on which this strategy is premised are unclear. There are very few well-documented examples of how the strategy can positively impact on the economic forces that constrain low-income women’s economic opportunity, even when a number of micro-businesses are clustered in a single neighborhood.”<sup>36</sup>

As the next section demonstrates, with increased government support, publicity, program evaluation and analysis of best practices, hopefully, the microenterprise industry will be able to further document results in actual small business development including income patching, assistance in job placement and sole income self-employment, and associated benefits including economic literacy, empowerment and human capital development.

### III. Federal, State and Public Funding Result in Increased Visibility for Microenterprise Development

Notably since the inception of microenterprise development in the U.S. there have been sixteen different federal programs supporting the microenterprise industry.<sup>37</sup> In the last decade these programs have invested more than \$300 million to advance microentrepreneurship.<sup>38</sup> A recent manifestation of federal support for microenterprise is the Program for Investment in Microentrepreneurs Act of 1999, also referred to as the PRIME ACT, designed to build the institutional strength of microenterprise development organizations so they can respond to the growing demand for training and technical assistance among low-income entrepreneurs. The law authorizes a cumulative appropriation level of \$105 million over four years starting with an appropriation of \$15 million in FY 2000.<sup>39</sup> Prime funds will be administered through the U.S. Small Business Administration. They may be used by qualifying nonprofit organizations to provide training and technical assistance to low-income and disadvantaged entrepreneurs interested in starting their own businesses; to engage in capacity building activities of microenterprise development programs and support research and development activities aimed at identifying and promoting entrepreneurial training and technical assistance programs to effectively serve low-income and disadvantaged entrepreneurs.

Another example of increased federal support to microenterprise development programs is the new governmental agency, the Community Development Financial Institution

(CDFI) Fund, created by the 1994 Community Development Banking Act.<sup>40</sup> CDFI, a part of the U.S. Treasury Department, provides loans and grants to microenterprise programs and is now in its fifth year of funding save. In an effort to maximize resources and convey information about the microenterprise industry efficiently, there is a Microenterprise Development Interagency Website to coordinate efforts throughout federal government agencies.<sup>41</sup> Efforts to complement and strengthen microenterprise are found in the Assets for Independence Demonstration Program at the U.S. Department of Health and Human Services (HHS), part of the Human Services Reauthorization Act of 1998, which authorized a five-year, \$125 million Individual Development Account (IDA) demonstration program at HHS. This program has the potential to initiate 50,000 new IDA accounts nationally. IDAs, which are similar to employer-employee retirement savings, are leveraged savings accounts dedicated to high return investments in business capitalization, home ownership or post secondary education.<sup>42</sup>

According to the Corporation for Enterprise Development which “aims to incorporate Individual Development Accounts and other asset-building tools for low-income people into the policy infrastructure . . . “as of April 2000 all but two states reported IDA policy or IDA-related activities. State support includes direct general funds appropriation, state tax credits for contributors to IDA programs, Community Development Block Grant Funds (CDBG) and TANF funds as well as partnerships with nonprofit organizations using Assets for Independence Act (AFIA).<sup>43</sup>

One federal program that has the ability to help some homeless people is the Self-Employment Assistance (SEA) program of the U.S. Department of Labor which allows eligible unemployment insurance claimants to collect benefits while starting a business. Eleven states have enacted SEA legislation and eight states have implemented SEA programs.<sup>44</sup> Similarly, the now defunct Job Training Partnership Act (JTPA) Microenterprise Grant Program included a Microenterprise Grant Program and focused on dislocated workers and the long term unemployed.<sup>45</sup> The JTPA has been superceded by the Workforce Investment Act effective July 1, 2000 and advocates are studying how this new law is actually working.<sup>46</sup>

Policy experts have found that the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996<sup>47</sup> and the implementation of the state TANF Program, allowed states broad discretion in many areas affecting microenterprise. This discretion has made it easier for states to provide microenterprise training and support.<sup>48</sup> The use of TANF funds may be revisited in the 2002 Congressional reauthorization of the program. Statewide funding for microenterprise is diverse including block grants from the federal government, which flow through to states, such as CDBG funds from the U.S. Department of Housing and Urban Development (HUD) and grants from city, county and regional governments.

State level microenterprise activity has lead to the creation of state microenterprise associations (SMAs), which have organized around common priorities - education, advocacy, peer information sharing, public policy design and influence and capacity building. SMAs also use small amounts of state funds to leverage larger amounts of

federal funding.<sup>49</sup>

Foundations and corporations such as Ford, Charles Stewart Mott and Levi Straus have been critical to advancing microenterprise. Such support has also facilitated research on best industry practices, described below.

In the last decade, there have been a number of efforts to increase the visibility of microenterprise development. The first is the Presidential Awards for Microenterprise Development. Started in 1996, this non-monetary award program was initiated to bring wider attention to important successes in the domestic microenterprise industry.<sup>50</sup> Second, as part of a multipart collaboration with AEO several other projects were initiated. These include, a documentary film, *To Our Credit*, the first two-part comprehensive exploration of microcredit internationally and of the U.S. microenterprise industry;<sup>51</sup> a research and development fund, The Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD), dedicated to the expansion and sustainability of microenterprise development efforts, particularly those aimed at poor Americans; and an American Bar Association sponsored publication, *A Legal Guide to Microenterprise Development*, designed to encourage lawyers to provide pro bono legal services to microentreprise development programs and their clients.

#### IV. The Future of Microenterprise

The Microenterprise Fund For Innovation, Effectiveness, Learning and Dissemination of the Aspen Institute has found that “training and technical assistance are arguably the most important components of microenterprise development services in the U.S. today, particularly for low-income clients.”<sup>52</sup> It recently made five \$100,000 grants to pursue research to facilitate a better understanding of what constitutes effective services. “FIELD’s goal in funding a cluster of grants on this subject was to identify and support practitioner organizations interested in advancing the effectiveness of their business training and technical assistance.”<sup>53</sup> Similarly, in response to industry concern that loan demand in the U.S. has been much lower than expected, five organizations were granted \$100,000 each “[t]o identify tools that can help low-income entrepreneurs obtain the capital they need to start or expand their businesses.”<sup>54</sup> To further chronicle developments in the field, the *Journal of Microfinance* has been created to “help shape and advance the microfinance movement by presenting articles on innovative approaches in microfinance, lessons learned from the field, and essays that represent the broad spectrum of views in the microfinance community.”<sup>55</sup>

#### V. Innovations in Homelessness and Microenterprise Development

“Homeless people have trouble getting jobs and learning work skills. This program provides self-esteem, places to work, and places to learn.” Mayor (of Toronto, Canada) Mel Lastman.<sup>56</sup>

The Toronto Homeless Community Economic Development (CED) Project is a unique collaboration between three levels of Canadian government (federal, provincial, and municipal) and United Way of Greater Toronto. With a significant collective investment of \$1.1 million in the first year, leveraged by two donors to United Way, the Toronto Homeless CED Project funds locally-run small projects that involve homeless people and those at risk of being homeless in ventures designed to “build life and work skills, develop self-esteem, and link them with viable community services and employment opportunities. Examples of CED projects include: catering businesses for low-income women, courier businesses, house painting ventures, dog walking services, and casual labour job banks or craft businesses that allow people to sell their products.”<sup>57</sup>

Recognizing that the key to fighting homelessness is working together and by linking with the business sector, the Toronto Homeless CED Project “is aimed at helping people who are not well-served by traditional employment assistance programs including aboriginals, abused women, people with mental health issues, families with children, people with disabilities, refugees and immigrants, single men, single parent families, single women and youth.”<sup>58</sup>

While the Toronto Homeless CED Project appears to be one of the best funded programs of its type in North America, there are other efforts to support homeless people through self-employment.

Some of the programs focus on women. The Coleman Foundation awarded a \$25,000 grant to the University of Colorado at Denver’s Bard Center for Entrepreneurship Development, which works with SafeHouse, a women’s shelter. A goal of the program is to “give the women a business background to help them in their personal and professional lives,” and to recognize that a home-based business could “help them with issues of income and child care.”<sup>59</sup> Similarly, the Center for Women and Enterprise’s Community Entrepreneurs Program (CEP) in Boston is an entrepreneurship training and education program designed to prepare low-income women, some of whom are homeless, to start their own businesses.<sup>60</sup> Programs such as CEP recognize that employment does not guarantee self-sufficiency and that many “working poor live lives of even greater deprivation because of greater limitations on public benefits they are eligible to receive.”<sup>61</sup> Indeed, because of time limits on the 1996 welfare law, benefits available in the past will no longer be available. Self-employment can be essential to supplement low wage work and as CEP participants report, self-employment training results in greater self-awareness and life enhancing skills.<sup>62</sup>

Other programs focus on perceived growth occupations. The Salvation Army Woof Program (Work Opportunities for Outstanding Futures), “provides low-income and no-income individuals with instruction in both dog training and business start-up in a ten week training program.”<sup>63</sup> National Occupational Employment Statistics show that animal care is expected to grow faster than the average of all occupations through the year 2006. The program aims to open doors of independence by enabling people to become professional trainers and build successful businesses. Professional trainers can

help to address the problem of canine euthanasia by training dogs; 4 million canines are euthanized each year.<sup>64</sup>

## VI. Job Training and Economic Self-Sufficiency for Homeless Persons

In addition to self-employment, microenterprise training is important to job training as well. Indeed, a number of microenterprise programs are part of larger job-training operations. While job-training programs for homeless persons are not new, the relevance, quality and long-term benefits of some programs have been criticized.<sup>65</sup>

As the next section demonstrates, foundations, practitioners and scholars, are attempting to reconcile and examine the most effective ways to prepare and train disadvantaged job seekers who have structural and personal barriers to employment with the realities of matching low-skilled workers with low-skilled jobs.<sup>66</sup> This task requires knowledge of the social service environment, innovation and creativity.

### A. Sector Employment Intervention

Sectors of the legal services community, recognizing that its best efforts over three decades have not reduced the need for legal services, have recently advocated a new approach to complement litigation and other legal service delivery, called “sector employment intervention” (SEI). SEI is a systematic approach, which “aims to capture employment opportunities and resources beyond neighborhoods, where employers are most often located.”<sup>67</sup> By targeting occupations within growing sectors of regional economies and engaging in system reform of markets that have excluded minority workers, SEI has become a CED vehicle to “connect residents of poor communities to employment opportunities, livable wages and benefits, good working conditions, and advancement opportunities.”<sup>68</sup> SEI is based on the premise that legal service providers have key access to many institutions in the wider community including “lawyers, the organized bar, law schools, government officials, religious leaders, business executives, schools, hospitals, universities and others.”<sup>69</sup>

To achieve the goal of job creation in the information-age economy, SEI requires collaborative partnerships “among community-based organizations, industry employers, and employment and training providers, thus integrating human services, economic development, and workforce development strategies.”<sup>70</sup> SEI is also a model for lawyers and legal advocates working with the homeless. The priority-setting model of SEI allows for “focus groups of targeted populations including homeless residents of a transitional housing facility . . . As much as they need housing, the homeless also need assistance in obtaining and keeping good jobs. They need better day care for their children, better public transportation and more support groups and advocates as they try to find and maintain employment.”<sup>71</sup> Illustrative of the SEI approach, organizations such as the National Economic Development and Law Center have linked child-care to economic

development, leveraged financial and political resources for child-care and increased the child care industry's small business entrepreneurial capacity.<sup>72</sup>

## B. Supportive Housing and Integrated Support Services

The creation of supportive housing and other integrated supportive services is further evidence of new initiatives in services for the poor and homeless. Our House, a transitional-housing project in Little Rock, Arkansas, selected by the Bush Administration as a "point of light,"<sup>73</sup> is one example of an innovative program. Utilizing a former nurses' quarters at a Veteran's Medical Center to provide transitional-housing to homeless individuals and families, Our House has two job-training programs. The first program provides training and experience with computer hardware and software such as word processing programs and spreadsheets. The computer trainees are required to wear business attire, learn how to interview and apply for a job. Business people conduct mock job interviews, which are videotaped to provide feedback to the trainees. A number of the business people conducting the interviews were so impressed with the trainees that they offered them "real" employment on the spot.<sup>74</sup> The second program provides training and experience with small appliance repair such as washers, dryers, toaster, refrigerators and vacuums. The repaired items are given to formerly homeless people as they secure transitional or permanent housing. The National Law Center on Homelessness and Poverty helped Our House obtain the federal surplus property that houses the operation. During the last nine years 87% of its graduates have been placed in jobs.<sup>75</sup>

## C. Back-to-the-Earth Gardening Programs and Side Jobs

Recognizing that homelessness and lack of job skills often go hand in hand, the Homeless Garden Project's (HGP) mission is to employ and train homeless people in Santa Cruz County, California, within a community supported organic garden enterprise. The goals of the project are to offer a supportive, meaningful work environment that encourages self-esteem, responsibility and self-sufficiency, to provide a place for homeless people in community and to practice principles of economic and ecological sustainability. The job training and transitional employment are designed to help homeless people "acquire the skills necessary to move in productive directions and lift themselves out of their homeless or marginalized situation."<sup>76</sup> Since 1990, the Homeless Garden Project has had a permanent staff of seven and employment and training positions for 24 homeless workers in an "organic garden and minifarm," in a dried flower and candle making enterprise, and in commercial produce and flower sales. The organic farm and mini-garden are supported by Community Supported Agriculture (CSA) in which individuals and families invest as shareholders in the garden by buying into a harvest each year at the beginning of the growing season and receive weekly supplies of the produce.<sup>77</sup> This arrangement produces capital to maintain the organic garden and minifarm.

The Woman's Organic Flower Enterprise (WOFE), which is part of HGP, produces wreaths, dried flower arrangements from organic flowers and herbs grown in the garden and hand-dipped beeswax candles. While producing a hand-crafted gift line for wholesale, retail sale and internet purchase, the organic garden and workshop provide a "nurturing space where women feel safe, where healing takes place and where women learn to help themselves."<sup>78</sup> In addition, commercial produce and flower sales (not distributed through CSA) are offered to local restaurants, health food stores and other retail shops. Another activity of the HGP is the Side Job Program, which provides opportunities for local residents to hire Project workers for landscaping, yard work, hauling and similar jobs.<sup>79</sup> Thirty-six percent of the Homeless Garden Project's \$200,000 annual budget comes from its business activities.<sup>80</sup>

#### D. Culinary Arts

Consistent with the goal of creating good jobs with a future, D.C. Central Kitchen created a Culinary Arts Training Program and Fresh Start, a catering, bakery, and contract food services business. Homeless, unemployed and TANF recipients receive valuable training while the catering service acts as a graduate school for the students in the job-training program. Relying on community and business partnerships, D.C. Central Kitchen boasts a 91% after-graduation job placement rate.<sup>81</sup>

McMurphy's Grill in St. Louis Missouri is a nonprofit three-to-six month training program for homeless people, persons at risk of being homeless and people with mental health problems. Now in its tenth year of operation, McMurphy's teaches work ethics and assists trainees with money management and savings so they can locate a place to live. All of the trainees have case managers. McMurphy's Celebrity Chef Program exposes trainees to local chefs who announce job opportunities, and who provide monthly cooking demonstrations and success strategies.

#### E. Public Private-Partnerships to Abolish Homelessness

##### 1. Café Habitat

Massachusetts is a leader in homelessness advocacy. In northwestern Massachusetts where there is a large homeless population, social services for the homeless have focused on obtaining housing and mental health services, but assistance for economic self sufficiency or job training was lacking. Café Habitat, a for profit organic coffee business, was started in 1995 by formerly homeless people and shelter workers from the Grove Street Shelter. Initially, the business hosted fund-raising events to explore options for economic development for homeless people. With the assistance of business mentor Dean Cycon, a former corporate lawyer and owner of Dean's Organic Coffee, Café Habitat incorporated in 1996. Like its mentor, Café Habitat buys coffee from independent coffee growers in Latin America. Undaunted by skeptics who thought that Café Habitat would not be able to secure HUD funding, through the Innovation Economic Initiatives

Program, Café Habitat, with its fiscal agent,<sup>82</sup> Service Net, a nonprofit organization, received a three-year \$400,000 grant from HUD to create a first of its kind Small Business Incubator Project. Now in its fourth year of funding, Café Habitat has trained well over 100 homeless people.<sup>83</sup>

## 2. Miami-Dade County Homeless Trust

In Dade County, Florida, business and social service groups joined forces and lobbied the state to allow the county to create a 1 percent homeless tax on all large restaurants that serve liquor. This has produced nearly \$6.5 million a year for the new Miami-Dade County Homeless Trust.<sup>84</sup> The Trust, created in 1993, was no doubt encouraged by the court's ruling in *Pottinger v. Miami*.<sup>85</sup> At the time of the lawsuit, there were only 700 shelter spaces for 6,000 homeless persons. Based on these facts, the court held that the city's policy of arresting homeless people for sleeping in public places where the city could not provide shelter, violated of the Equal Protection Clause, the Due Process Clause and the Eighth Amendment right to travel.<sup>86</sup>

The mission of the Miami-Dade County Homeless Trust is to “oversee the implementation of the Miami-Dade County Community Homeless Plan, to collect and disperse public funding in this regard and to contract with the private sector . . . to create a true public private partnership.”<sup>87</sup> The creation of the trust and a public/private partnership in Miami has by no means eliminated the problems of homelessness in Miami-Dade County, but it is theoretically a model and a step in the right direction. The trust has brought together a diverse group of people to implement the goals of the Miami-Dade County Community Homeless Plan.<sup>88</sup> The private dollars leverage and attract federal money. Since 1993 the county has received \$38 million in food and beverage funding and \$25 million in private sector funding. It has been selected as one of six U.S. HUD model cities initiative grantees (for a 1995 award of \$15 million over three years), it was also selected as a U.S. HUD Best Practice Program for its Community Homeless Plan.<sup>89</sup> Miami-Dade County highlights receiving over \$81.7 million in federal funding, \$1.4 million in state funding and \$1.2 million in local funding since 1993.<sup>90</sup>

The Miami-Dade Homeless Trust in Florida and Café Habitat in Massachusetts provide a theoretical model for what can be accomplished through collaboration with the small business community. The model can be developed by examining and expanding economic self-sufficiency opportunities for homeless people under the umbrella of supportive services.

## VII. The Information Age, New Technologies and Homelessness Advocacy

As noted earlier, there is an overlap between microenterprise development and job-training and public-private partnerships as evidenced by the new field of “remote access staffing.” Remote access staffing refers to accessing products and services from a distant location. Cyber Agents are phone operators/customer service representatives working from home who handle e-commerce and other sales transactions. They receive calls from customers for goods and services and process the orders. Willow's Cybercenter Networks

allows businesses to direct calls to a Cyber Agent who owns a computer, pays for a basic two-week training course, and monthly telcom charges.<sup>91</sup> Several Florida counties are using Workforce Investment Act funding to pay for the Cyber Agent training.<sup>92</sup> Working Capital Florida Partners for Self-Employment, Inc. provides individual loans of \$500-2,000 each for persons who have completed Cyber Agent training to purchase computer equipment.<sup>93</sup> Working Capital Florida Partners for Self-Employment, through eleven outreach offices in four counties, offers individual loans for Willow Network Cyber Agents.<sup>94</sup> Willow, a leader in the remote staffing company field, was recognized by the Presidential Task Force on Employment of Adults with Disabilities as one of the top job opportunities in the country for disabled people.<sup>95</sup>

Unless the Cyber Agent training is paid for or subsidized, it would appear difficult for homeless persons to access this type of program unless it is in the context of supportive housing. While this type of program “job-training for self-employment” is intriguing, it demands further investigation and study.

Similarly, the Abilities Fund, “the first and only nationwide community developer and financial lending institution targeted exclusively to advancing entrepreneurial opportunities to Americans with disabilities,” proposes to combine CDFI and private funds to invest \$10 million in existing microenterprise networks for disabled entrepreneurs.<sup>96</sup>

The Nebraska Microenterprise Development Partnership Fund, with the support of Union Bank, is developing a 6-month computer-training program. Participants can earn bonus points for completing training, which can be used to lease computers and printers to start small businesses. It is anticipated that between 1999 and 2002, the program will aid 77 low-income people in establishing small businesses.<sup>97</sup>

#### VIII. Social Entrepreneurism, Social Purpose Businesses, and Homeless Economic Development

Some of the aforementioned innovations, such as the Homeless Garden Project, are part of an emerging field of social entrepreneurship, “a provocative blend of social, philanthropic and business values”<sup>98</sup> which is an integration of social work, community economic development and business development in the creation of social purpose businesses. The National Center for Social Entrepreneurs defines the term broadly. Social entrepreneurship is using smarter business and marketing practices to generate more revenue to fuel mission-related activities. On the enterprise spectrum, social entrepreneurship is somewhere between purely philanthropic and purely commercial.<sup>99</sup> A subset of this phenomenon is homeless economic development. The Roberts Foundation has been at the forefront of this work. In 1990 it established the Homeless Economic Development Fund to support the work of “New Social Entrepreneurs” and explore the potential for nonprofit enterprise creation. The philosophical underpinnings of this movement are that people are not “serviced out of poverty.”<sup>100</sup> The ability to exit from poverty is governed by employment, asset accumulation and wealth creation. A

final report on the experience of the San Francisco Homeless Women's Economic Development Project indicated that "while only a few women were able to start full-time businesses that provide enough income to support them, a large proportion were successful in setting up small scale enterprises that provide supplemental income to their full-or part-time jobs. Regardless of their self-employment status, almost all of the participants experience significant increase in their annual household income."<sup>101</sup> Given this reality a recommendation for future projects is to offer economic development tracks such a job training and job placement along with supportive services, child care and transportation subsidies.<sup>102</sup>

A number of innovative programs have been funded by The Roberts Fund, such as the San Francisco Homeless Women's Economic Development Project and Asian Neighborhood Design (AND). AND is a nonprofit organization that "provides permanent and transitional jobs including work experience for persons who face multiple barriers to employment." Areas of training include carpentry, cabinetmaking, computer-aided design and drafting, plumbing, computer machine operation and related fields.<sup>103</sup>

The current shift in the nonprofit sector is influenced by several factors: the advent of devolution in which federal funding for a myriad of social, educational and other programs is being transferred to the states; the rise of social entrepreneurship described above; outsourcing inspired by the reinventing government movements; for-profit competition in acquisitions, mergers, and alliances; outcome performance (measuring impact or results); and the evolving practice of venture philanthropy described in the next section.<sup>104</sup>

#### A. Social Venture Philanthropy, the Changing Nature of Charitable Giving and the Impact on Funding for Homelessness Advocacy<sup>105</sup>

Social Venture Philanthropy (SVP) is a new paradigm in charitable giving influenced by venture capital. SVP is driven by new donors who are turning their attention to charitable issues now that they have acquired substantial wealth. The SVP model often allows for longer term investments (3-5 years) in nonprofit organizations which are monitored and evaluated for progress, management and expansion capabilities, eliminating the need for nonprofit groups to reapply, yearly in some cases, for grant funds. SVP models choose organizations led by social entrepreneurs, nonprofit leaders who combine social philanthropic and business values.<sup>106</sup>

The private efforts of wealthy Americans complement the work of government. 73% of Americans gave to charity last year. In 1999, charitable gifts totaled \$190 billion. One survey found that 90 percent of business owners contribute to charity.<sup>107</sup> America, claiming to be the richest, strongest and smartest nation on earth produces more millionaires and billionaires than any other country. The multimillionaires of the booming technology industries are changing the way philanthropy is approached. Researchers refer to the "golden era of philanthropy." A number of foundations are analyzing "the nonprofit capital market."<sup>108</sup> The theory is that investments in nonprofits

are still capital investments seeking social and economic, not purely financial returns. This analysis requires that nonprofit capital investments be managed with due diligence and strategic thinking applied in the for-profit world. Although government funding of nonprofit groups will remain at the forefront, government spending has slowed considerably and there are many more cutbacks projected.<sup>109</sup> The nonprofit capital market will also shift considerably in the future--the wealth creation of the past 15 years from Baby Boomers' inheritances is projected to exceed \$1 trillion in the next twenty years.<sup>110</sup> This new trend in venture philanthropy, using the aggressive venture capital methods that created the new wealth, means that nonprofit organizations working with homeless people will have to consider entrepreneurial approaches to sustainability. "This new breed of philanthropist scrutinizes each charitable cause like a potential business investment, seeking maximum return in terms of social impact--for example, by counting the number of children taught to read or the number inoculated against malaria."<sup>111</sup>

Critics of SVP say that not all problems can be solved with commercial approaches.<sup>112</sup> Some believe that the characteristics of venture philanthropy--measurable and result-oriented giving--are already being employed by many donors.<sup>113</sup> Others caution that the outcome measure driven nature of SVP may thwart the learning process and nonprofit groups' willingness to openly discuss and share lessons learned. These concepts of strategic philanthropy, outcome funding, engaged grant making and grant making for effective organizations are gaining increased attention as many social actors believe that the approaches of the past have not resulted in the sought after impact or change. One example of an outcome driven model is Seattle Children's Home's call for businesses and nonprofit groups to work toward the goal of no children living on the streets of Seattle by 2005. The board of directors of the Seattle Children's Home designed a continuum of care, "a new model based upon private investment where the kids would get well, stay well and become successful adults. It would be a model where the dollars would follow the kids. But, it had to be a business plan and not a social commentary, for it would need to attract not just donations but investments,"<sup>114</sup> To accomplish this goal, the Seattle Children's Home coordinates support from family, educators, social workers, clinicians, physicians and others. The building blocks of the continuum of care model are comprehensive assessment services, parent advocacy, enriched case management, strategic alliances of service providers and outcome accountability. Children and families work together in multi-systems to establish and achieve mutually agreed goals.<sup>115</sup> And homelessness advocates could benefit from further study of the Seattle Children's Home and similar programs.

## B. A Critical Role for Lawyers and Legal Advocates

Lawyers are needed to interpret the legal issues in the new philanthropy and to lobby for legislative and policy changes that support the abolition of homelessness.<sup>116</sup> Transactional counsel is needed in corporate, tax, contracts and intellectual property matters such as examining joint venture relationships between a nonprofit and its for profit collaborators. Legal counsel is also needed to protect a homeless advocacy organization's intellectual property rights in publications, trademarks and logos. As one

scholar notes, “Legal counsel face a daunting task when asked to advise section 501(c)(3) tax exempt entities. . . as to what economic development activity involving for profit entity is charitable.<sup>117</sup> Scholars suggest that internal revenue law reforms are needed in the areas such as unrelated business income tax in order for nonprofit organizations to be engaged in successful economic development and job creation endeavors.<sup>118</sup>

Similarly, lawyers are needed to address legal issues associated with the Workforce Investment Act of 1998 (WIA) which took effect July 1, 2000 and which repeals and replaces the Job Training Partnership Act (JTPA).<sup>119</sup> WIA establishes a new national framework for low-income and other people seeking employment. Legal services attorneys urge the importance of advocacy efforts on WIA mandated state and local implementation. One example of advocacy is focused on formation of the state and local workforce investment boards.<sup>120</sup> Once low-income and other workers secure employment, legal services advocates can protect their employment rights.<sup>121</sup>

The faith-based policy initiative of the George W. Bush administration may also spur the need for legal interpretation. This new initiative, designed to make federal programs more friendly to faith-based organizations, has generated considerable discussion at the start of the new administration.<sup>122</sup>

### Conclusion

This essay focuses on policies and innovations in income creation for homeless people. Integrated approaches to homelessness prevention and policies that combine housing, income and social services are essential for the abolition of homelessness.

Microenterprise development, innovative job training and strategic partnerships with the business community, will advance the goal of eliminating homelessness. Some of the programs described herein are new. While the jury is still out on the efficacy of some, these programs seem to represent innovations that value the humanity, human capital, individuality, social and economic needs of homeless people and they deserve further study in best practices. At the same time, they reflect the current trends toward economic self-sufficiency in the American policy rhetoric.

## Endnotes

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<sup>1</sup> See National Alliance to End Homelessness, *Facts About Homelessness*, at <http://www.naeh.org/back/factsus.html> (last visited Feb. 7, 2001).

<sup>2</sup> See American Bar Association: Commission on Homelessness and Poverty, *Homelessness in America*.

<sup>3</sup> Peter Salsich, Jr, Homelessness and the Law Symposium: *Homelessness at the Millennium: Is the Past Prologue?*, 23 Stetson L. Rev. 331, 332-34, 336-42 (1994). One such solution is the Continuum of Care model, part of a Consolidated Plan developed by the U.S. Department of Housing and Urban Development (HUD) to track the outcome and impact of billions of dollars for affordable housing and community development. The Continuum of Care model is designed to reflect a community's vision and action plan for comprehensive services to the homeless. The Continuum of Care model can also assist localities in obtaining competitively awarded grants under the Stewart B. McKinney Homeless Assistance Act. See also Deborah Austin & Susan Jones, *Learning From HUD: A Continuum of Service for the Small Business Community*, 9 J. Aff. Housing & Community Dev. L. 119 (2000).

<sup>4</sup> Susan R. Jones, *A Legal Guide to Microenterprise Development: Battling Poverty Through Self-Employment*, American Bar Association Commission on Homelessness and Poverty (1998). Microenterprise development is a community economic development (CED) and anti-poverty strategy in which business training, technical assistance, and/or small loans are provided to very small businesses.

<sup>5</sup> Peter Werwath *et al.*, *Helping People Get Jobs: Case Studies and Other Resources 9-10* (1999), available at <http://www.enterprisefoundation.org>. See also Hard Labor: Women and Work in the Post-Welfare Era 77 (Joel F. Handler & Lucie White eds., 1999) hereinafter Hard Labor.

<sup>6</sup> Human capital is the term social scientists use to “describe the positive externalities that accrue when individuals take control of their lives, develop self-esteem, and succeed in the economic market place.” Susan R. Jones, *Self-Employment: Possibilities and*

*Problems, in Hard Labor, supra* note 5, at 76 hereinafter Possibilities and Problems.

<sup>7</sup> The Massachusetts Housing and Shelter Alliance, dispelling the myth that homeless people are anonymous street people wandering from shelter to shelter, asserts that some of the homeless come from youth programs such as foster care. See Massachusetts Housing and Shelter Alliance, *Making Prevention Tangible*, Preventing Homelessness: Policy, Protocols and Practices for Discharge and Planning (1999).

<sup>8</sup> For more information on microenterprise and youth See Susan R. Jones, *Youth Entrepreneurship and Microenterprise Development*, in American Bar Association, *America's Youth Still at Risk* (forthcoming 2001). Available from The ABA Steering Committee on the Legal Needs of Children. For a discussion of using Temporary Assistance for Needy Families (TANF) funds to support youth initiatives, See Marie Cohen & Mark Greenberg, *Tapping TANF for Youth: When and How Welfare Funds Can Support Youth Development*, Education and Employment Initiatives (Jan. 2000), at Center for Law and Social Policy (CLASP) website at [http://www.clasp.org/pubs/jobseducation/jobseducation\\_employability.htm](http://www.clasp.org/pubs/jobseducation/jobseducation_employability.htm) (last visited on Feb. 22, 2001).

<sup>9</sup> While Joe's story is an entirely fictional account it could be someone's story. The author represented a microenterprise program in which one of the participants, a homeless man, was establishing a bicycle repair business while receiving housing assistance. The Center for Women and Enterprise's Community Entrepreneurs Program works with some homeless women. Indeed, as the microenterprise industry reflects on its work with certain populations, such as persons with disabilities, immigrants and youth, homeless people will be among them.

<sup>10</sup> Fatherhood programs teach active parenting skills. Telephone Interview with Joseph Osborne, Executive Director, Lancaster Fatherhood Project (Oct. 12, 2000).

<sup>11</sup> This type of business can require substantial legal and regulatory expertise. In addition to creating a legal entity such as a corporation or a limited liability company, the business requires service contracts and liability insurance. In Washington, D.C. for example, a handyman/carpenter would need a home improvement contractor's license and a general business license. A prerequisite to the license is bonding.

<sup>12</sup> AEO defines a microenterprise as a sole proprietorship, partnership or family business that has fewer than five employees, small enough to benefit from loans under \$25,000 and too small to access commercial banking services. See Association for Enterprise Opportunity, *Microenterprise Fact Sheet Series, Fact Sheet #1- Microenterprise Development in the United States: An Overview* (2000), at <http://www.microenterpriseworks.org/microdevelopment/factsheets/factsheetsindex.htm>. hereinafter *Microenterprise Fact Sheet Series, Fact Sheet #1* (last visited April 18, 2001). Another definition is a business comprised of one to five people with less than \$5,000 in start up capital. See Lewis D. Solomon, *Microenterprise: Human Reconstruction in America's Inner Cities*, 15 Harv. J. L. & Pub Pol'y 191, 192 (1992).

<sup>13</sup> See *Microenterprise Fact Sheet Series, Fact Sheet #1*, *supra* note 12. See also John F. Else, *An Overview of the Microenterprise Development Field in the U.S.*, Institute for Social and Economic Development, International Labor Office 3, 36 (2000). See also e-mail from Bill Edwards, the Executive Director of the Association for Enterprise Opportunity (Nov. 30, 2000) (on file with author) (reports that there are 700 microenterprise programs in 50 states).

<sup>14</sup> Else, *supra* note 13, at 25.

<sup>15</sup> Jones, *Possibilities and Problems*, *supra* note 6, at 78.

<sup>16</sup> E-mail from Bill Edward, *supra* note 12. Some advocates believe that the peer-lending model is less attractive in the U.S. because the cultural and community constructs, which cement the peer-lending model, are often absent in the U.S.

<sup>17</sup> Jones, *Possibilities and Problems*, *supra* note 6, at 78.

<sup>18</sup> Income patching involves supplementing full-or part-time work with income from self-employment. See generally Association for Enterprise Opportunity, *Microenterprise Fact Sheet Series, Fact Sheet #5- Sources of Public Funding (2000)*, at <http://www.microenterpriseworks.org/microdevelopment/factsheets/Factsheetsindex.htm> (last visited April 18, 2001).

<sup>19</sup> For examples of the uses of microenterprise including self-employment, job patching and job readiness, See Jones, *Possibilities and Problems*, *supra* note 6, at 78.

<sup>20</sup> Peggy Clark & Amy Kays, *Microenterprise and the Poor: Findings From the Self-Employment Learning Project Five-Year Survey of Microentrepreneurs* vii, 16, 35, 48, 68 (1999).

<sup>21</sup> See generally John F. Else & Carmel Clay-Thompson, *Refugee Microenterprise Development: Achievements and Lessons Learned*, Institute for Social and Economic Development (1998); Lisa Plimpton & Mark Greenberg, *TANF Policies in Nine States: Implications for Microenterprise Initiatives* Center for Law and Social Policy, at <http://clasp.org/pubs/jobseducation/microenterprises.htm> (last visited April 18, 2001). (Dec. 1999); Mark Greenberg, *Developing Policies to Support Microenterprise in the TANF Structure: A Guide to the Law*, Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (1999).

<sup>22</sup> See Matthew C. Sonfield, *From Inmate to Entrepreneur: A Preliminary Analysis*, at <http://www.sbaer.uca.edu/docs/proceedings/92sbi039.txt>.

<sup>23</sup> Practitioner Programs give loans, training and technical assistance directly to entrepreneurs. They are distinguished from Practitioner Support Agencies, which are generally intermediaries that service Practitioner Programs in program planning and

design, training, research and evaluation and financial assistance. Some of the agencies in the Directory serve both functions. Jennifer A. Langer *et al.*, *1999 Directory of U.S. Microenterprise Programs, Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD)* xii-xvi (1999).

<sup>24</sup> *Id.* at xv.

<sup>25</sup> For more information about AEO visit its web site at <http://www.microenterpriseworks.org> (last visited April 18, 2001).

<sup>26</sup> Sectoral markets maximize resources and help low-income entrepreneurs connect to more lucrative, high-value markets through cooperative efforts. *See, Making the Connection: Appalachian Center for Economic Networks*, a study examining how the Center helped microentrepreneurs break into the specialty and natural foods industry in Ohio. For more information about the book visit the website for the Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD), at <http://www.fieldus.org> (last visited April 18, 2001), or call the Publications hotline (410) 820-5338. For general information on sectorial markets visit the AEO website, at <http://www.microenterpriseworks.org>. For information about business incubators, visit the National Business Incubation Association website at <http://www.nbia.org> (last visited April 18, 2001). Business Incubators offer fledgling companies benefits and resources such as office space and basic office services (*e.g.*, receptionist, fax and photocopy machines), legal and accounting help and sometimes offer access to venture capital. For profit business incubators provide the aforementioned services in exchange for an equity stake in the company and some have helped to bring some start-up technology companies to fruition. Shared networking clusters offer enhanced incubation services. *See* Morten T. Hansen *et al.*, *Networked Incubators: Hothouses of the New Economy*, *Harv. Bus. Rev.* (2000) (describing networked incubators, distinguishable from those that provide a place to “set up shop” because they foster partnerships among start-up teams, facilitate talent and forge marketing and technology relations).

<sup>27</sup> This issue is a source of considerable discussion in the microenterprise community and is one of the reasons that U.S. practitioners use the terminology microenterprise and not micro credit. They contend that it takes more than just “credit” to operate a U.S. microbusiness. Often times, the business training and technical assistance is more important than the loan. Indeed, one of the findings of the FIELD study is that many participants completing training did not request loans. *See* The Aspen Institute, *Field Forum 2* (Oct. 1999).

<sup>28</sup> *See* e-mail from Clare Pastore, Staff Attorney, Western Center on Law and Poverty in Los Angeles, California (Nov. 27, 2000) (on file with author).

<sup>29</sup> Peggy Clark & Amy Kays, *Microenterprise and the Poor: Findings from the Self-Employment Learning Project Five-Year Survey of Microentrepreneurs* vii (1999).

<sup>30</sup> Louise A. Howells, *The Dimensions of Microenterprise: A Critical Look at*

*Microenterprise as a Tool to Alleviate Poverty*, 9 J. Aff. Housing 2, 174 (2000).

<sup>31</sup> *Id.* at 162.

<sup>32</sup> *See Microenterprise Fact Sheet Series-Fact Sheet #1, supra* note 12.

<sup>33</sup> *See Jones, Possibilities and Problems, supra* note 6, at 78.

<sup>34</sup> Colette Dumas, *Evaluating the Outcomes of Microenterprise Training for Low-Income Women 3* (unpublished Ph.D dissertation), Suffolk University, Frank Sawyer School of Management, Boston (copy on file with the author) hereinafter Dumas dissertation.

<sup>35</sup> Lucie E. White, *Feminist Microenterprise: Vindicating the Rights of Women in the New Global Order?*, 50 Me. L. Rev. 327, 332 (1998).

<sup>36</sup> *Id.*

<sup>37</sup> Federal Microenterprise Funding Programs, at <http://www.microenterprise.org/microdevelopment/federal/funding.htm> (last visited April 18, 2001).

<sup>38</sup> *Microenterprise Fact Sheet Series - Fact Sheet #5, supra* note 18.

<sup>39</sup> Community Development Banking and Financial Institutions Act of 1994, 12 U.S.C. § 4701 *et seq.* (2000). The appropriation for fiscal year 2001 is \$250,000,000; \$300,000,000 for Fiscal Year 2002 and \$350,000,000 for fiscal year 2003.

<sup>40</sup> *Id.* *See also* Donald A. Lash, *The Community Development Banking Act and the Evolution of Credit Allocation Policies*, 7 J. Aff. Housing and Community Dev. Law 385 (1998) (provides a history of banking reforms, the legislative history and an overview of the Community Development Banking Act of 1994).

<sup>41</sup> For more information visit the Microenterprise Development Federal Agency website, at <http://www.sba.gov/microcenter> (last visited April 18, 2001).

<sup>42</sup> Individual Development Accounts: Hearing Before the D.C. City Council Committee on Economic Development (2000) (statement of Ray Boshara, Policy Director for CFED). *See generally* Michael Sherradan, *Assets and the Poor* (1991).

<sup>43</sup> Assets for Independence Act (AFIA), Pub. L. No. 105-285, 112 Stat. 2579 (1998). AFIA provides competitive grants to nonprofit IDA programs. Although it was authorized at \$125 million over five years, it received a \$10 million appropriation in fiscal year 1999 and 2000. *See also* Corporation for Enterprise Development, *Federal and State IDA Policy Overview* (2000).

<sup>44</sup> The follow states have enacted SEAS legislation: New York, Maine, Oregon, Delaware, New Jersey, California, Maryland and Pennsylvania. *See* Association of

Enterprise Opportunity, AEO Policy Committee, *1998-1999 Key Accomplishments*, AEO 1999 Legislative Priorities, AEO Fact Sheets, at [www.microenterpriseworks.org/aboutaao/committees](http://www.microenterpriseworks.org/aboutaao/committees) (last visited April 18, 2001).

<sup>45</sup> Job Training Partnership Act, 29 U.S.C. 1501 *et seq.* (2000) (repealed by Workforce Development Act of 1998, Pub. L. No. 105-220, 112 Stat. 936 (1998)) (codified as §504 of the Rehabilitation Act, 29 U.S.C. §794(d)).

<sup>46</sup> Greg Bass, *Adult and Dislocated Worker Job Training Provisions of Title I of the Workforce Investment Act of 1998: Part 1- Federal, State, and Local Work-Force Investment System*, 33 Clearinghouse Rev. 525-528 (Feb. 2000); Greg Bass, *Adult and Dislocated Worker Job Training Provisions of Title I of the Workforce Investment Act of 1998: Part 2- Delivery of Services*, 33 Clearinghouse Rev. 649 (Apr. 2000).

<sup>47</sup> Personal Responsibility and Work Opportunity Act of 1996, 42 U.S.C. §601 (2000).

<sup>48</sup> Plimpton & Greenberg, *supra* note 21, at 3. *TANF Policies in Nine States: Implications for Microenterprise Initiatives*, Center for Law and Social Policy (CLASP) 3 (2000) at <http://www.clasp.org/pubs/jobseducation/jobseducationemployability.htm>. The welfare law also created obstacles to microenterprise development with its emphases on time limits, caseload reduction, and limits on longer-term education and training. *See also* Mark Greenberg, *Developing Policies to Support Microenterprise in the TANF Structure: A Guide to the Law*, Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination (FIELD) (1999).

<sup>49</sup> *See* Association for Enterprise Opportunity, State Associations, at <http://www.microenterpriseworks.org/stateassoc> (last visited Nov. 1, 2000). *See* William Lewis Randolph, *Capitalizing Microenterprise Funds: The Virginia Enterprise Initiative (2000)*, at <http://www.usabe.org> (last visited Nov. 1, 2000). SMA's have identified legal issues ranging from the limits on lobbying to the feasibility of merging existing microenterprise programs.

<sup>50</sup> For more information about the Presidential Awards for Excellence in Microenterprise Development visit the Community Development Financial Institution website, at <http://www.treas.gov/cdfi> (last visited Mar. 23, 2000).

<sup>51</sup> For more information about To Our Credit visit its website at <http://www.toourcredit.org> (last visited Mar. 23, 2000).

<sup>52</sup> Aspen Institute, *supra* note 27, at 1.

<sup>53</sup> *Id.* The grantees mission is to creatively understand the impact of training and technical assistance on low-income entrepreneurs' skills development and the business they create. The grantees are: 1) Women's Initiative for Self-Employment, San Francisco, California; 2) Institute for Social and Economic Development, Iowa City, Iowa; 3) Detroit Entrepreneurship Institute, Inc., Detroit, Michigan; 4) Women's Housing and Economic

Development Corp., Bronx, New York; and 5) Central Vermont Community Action, Barre, Vermont.

<sup>54</sup> Grants were awarded in August 1999. For Immediate Release, FIELD Awards \$500,000 to Groups Exploring Links Between Training/Entrepreneurship, Wednesday, August 4, 1999 and FIELD Awards \$500,000 to Groups Testing Ways to Pump Capital Into Low-Income Businesses (on file with author and available from The Aspen Institute, One Dupont Circle, NW, Suite 700, Washington, DC 20036; phone 202.736.5800; fax 202.467.0790; emailfieldus@aspeninstitute.org). The grantees for the capital expansion project are: 1) Community Ventures Corporation, Lexington, Kentucky; 2) Coastal Enterprises, Wiscasset, Maine; 3) Accion U.S. Network, Cambridge, Massachusetts 4) New Hampshire Community Loan Fund, Concord, New Hampshire; and 5) West Central Wisconsin Community Action Agency, Glenwood City, Wisconsin.

<sup>55</sup> Journal of Microfinance, at <http://www.microjournal.com>; See Association of Enterprise Opportunity, at <http://www.microenterpriseworks.org> - AEO Exchange July-August, 1999, p 2.

<sup>56</sup> *United Way and Three Levels of Government Launch New Program to Help Reduce and Prevent Homelessness*, Canada Newswire, Jan. 19, 2000, available at LEXIS, News Library, News Group File.

<sup>57</sup> *Id.* at 56. Telephone Interview with Dan Clement, Director, Special Projects and New Initiatives, United Way of Greater Toronto (Oct. 24, 2000) hereinafter Telephone Interview with Dan Clement.

<sup>58</sup> *Id.* at 56. Telephone Interview with Dan Clement, *supra* note 57.

<sup>59</sup> Kristen Go, *Survivors Learn Business Skills*, The Denver Post, Oct. 9, 1999, at A-26, available at LEXIS, News Library, News Group File; Telephone Interview with Sherry Maloney, Safe House Program Administrator, University of Colorado's Bard Center (Oct. 16, 2000).

<sup>60</sup> Conversation with Jennifer Bennet, Director, Community Entrepreneurs Program, Center for Women and Enterprise (July 27, 2000). See also Center for Women and Enterprise, at <http://www.cweboston.org> (last visited Nov. 1, 2000).

<sup>61</sup> Dumas dissertation, *supra* note 34.

<sup>62</sup> *Id.* at 14, 21-22.

<sup>63</sup> *The Salvation Army Selects Matthew 'Uncle Matty' Margolis and His Exclusive Program*, The Business of Dog Training, to Teach the Homeless a Profession with a Future, Business Wire (Nov. 5, 1999), at <http://www.unclematty.com>, or <http://www.salvationarmy-social.org>.

<sup>64</sup> Telephone Interview with Mathew Margolis, Founder, National Institute of Dog Training (Oct. 26, 2000). The first dog-training program had 40 homeless participants ranging from 19- 60 years of age. The second program, which began in early October 2000, had 85 participants.

<sup>65</sup> Peter Werwath *et al.*, *Helping People Get Jobs: Case Studies and Other Resources*, The Enterprise Foundation 1-4 (1999).

<sup>66</sup> *Id.*

<sup>67</sup> Greg Volz & Brad Caftel, *Job Strategies in the Era of Welfare Reform: A Community-Based Model of Legal Services*, 33 *Clearinghouse Rev.* 569, 571(2000).

<sup>68</sup> *Id.*

<sup>69</sup> *Id.* at 569. *See also* Nona Liegeois *et al.*, *Helping Low-income People Get Decent Jobs: One Legal Services Program's Approach*, 33 *Clearinghouse Rev.* 279 (1999).

<sup>70</sup> *Id.*

<sup>71</sup> Volz & Caftel, *supra* note 67, at 577.

<sup>72</sup> For more information about SEI visit the NEDLC website, at <http://nedlc.org/programs>.

<sup>73</sup> The Points of Light Foundation, created in 1990, is a private foundation encouraging volunteerism and private efforts to combat social problems. *See* Heather Gottry, *Profit or Perish: Nonprofit Social Service Organizations & Social Entrepreneurship*, 2 *Geo. J. on Poverty L. & Pol'y* 249, 253 n.20 (1999).

<sup>74</sup> Thanks to Laurel Weir, Policy Director of the National Law Center on Homelessness and Poverty, for providing initial information about Our House and other job training programs for homeless people. *See* email from Laurel Weir, Policy Director of the National Law Center on Homelessness and Poverty (Mar. 10, 2000) (on file with author). Telephone Interview with Joe Flaherty, Director, Our House (Oct. 11, 2000).

<sup>75</sup> Telephone interview with Joe Flaherty, *supra* note 74.

<sup>76</sup> For information about the Homeless Garden Project visit the web site, at <http://www.infopoint.com/sc/orgs/garden> (visited July 25, 2000). For a discussion of the role of gardening in community economic development and a review of the legal issues in establishing community gardens on vacant land, *See* Jane E. Schukoske, *Community Development Through Gardening: State and Local Policies Transforming Urban Open Space*, 3 *N.Y.U. J. Legis. & Pub. Pol'y* (2000).

<sup>77</sup> Telephone Interview with Jane Petroff, Executive Director, Homeless Garden Project

(Oct. 24, 2000).

<sup>78</sup> *Id.*

<sup>79</sup> *Id.* There are a number of examples of side job or odd job projects. One of them, Central Union Mission, in Washington, D.C. has a catering project in which trained cooks are teaching homeless people culinary arts.

<sup>80</sup> *Id.* Proponents of back to the earth employment and training programs have also found international examples to assist them. Modeled on successful social experiments in Denmark, the Hyannis, Massachusetts based Housing Assistance Corporation received a \$250,000 grant from the U.S. Department of Housing and Urban Development to buy land for a farm that will be inhabited and run almost entirely by homeless men.

<sup>81</sup> For more information about D.C. Central Kitchen, *See* the website at <http://www.dccentralkitchen.org> (last visited Nov. 2, 2000).

<sup>82</sup> Fiscal agency also known as fiscal sponsorship arises when a project wants to get support from a private foundation, government agency or tax deductible contributions from individual or corporate donors and looks for a 501(c)(3) sponsor to receive funds on its behalf for project purposes. *See* Gregory L. Colvin, *Fiscal Sponsorship, Six Ways To Do It Right 2-4* (1993).

<sup>83</sup> Conversation with Dafney Bishop, Founder of Café Habitat (August 4, 2000). Telephone Interview with Rebecca Muller, Shelter and Housing Division Leader, Service Net (Oct. 13, 2000).

<sup>84</sup> Jeanne DeQuine, *Project Offers More Than Just Shelter*, Christian Science Monitor, Aug. 8, 1996, at 1. *See also* Miami-Dade County Homeless Trust, at <http://www.co.miami-dade.fl.us/homeless> (last visited Aug. 9, 2000).

<sup>85</sup> Conversation with Arthur Rosenberg, Director, Florida Legal Services (July 24, 2000). *Pottinger v. City of Miami*, 720 F. Supp, 955 (S.D. Fla 1989) (*Pottinger I*); *Pottinger v. City of Miami*, 810 F. Supp, 1551 (S.D. Fla. 1991) (*Pottinger II*); *Pottinger v. City of Miami*, 40 F.3d 1155 (11th Cir. 1994) (*Pottinger III*), *remanded*, 76 F.3d 1154 (11th Cir. 1996) (*Pottinger IV*).

<sup>86</sup> *Id.*

<sup>87</sup> Telephone Interview with Julieann B. Edwards, Assistant Executive Director, Miami-Dade Homeless Trust (Oct. 17, 2000). *See also* Miami-Dade County Homeless Trust, *supra* note 84

<sup>88</sup> Conversation with Arthur Rosenberg, Director, Florida Legal Services (July 24, 2000). The Miami-Dade County Homeless Trust implements the Miami-Dade County Homeless Plan, which includes a Continuum of Care. The trust is funded by federal, state and

private sources.

<sup>89</sup> *Id.* at 84.

<sup>90</sup> See Miami-Dade County Homeless Trust, *supra* note 84.

<sup>91</sup> Call Center Magazine, April 2000, at 1 (on file with author), available at <http://www.callcentermagazine.com> (last visited Nov. 16, 2000).

<sup>92</sup> Conversation with Marty Urrea, Director of Cyber-Agent Administration at Willow (Feb. 6, 2001).

<sup>93</sup> *Id.*

<sup>94</sup> See Brochure on Partners for Self-Employment, Inc., Enterprise Network Fund, Loan Capital (copy on file with author).

<sup>95</sup> Willow Cybercenter Networks, Company Background, at <http://www.willowcsn.com> (visited Oct. 11, 2000).

<sup>96</sup> See e-mail from Irina Zabello-Scemelova, AEO (Nov. 21, 2000) (copy on file with the author).

<sup>97</sup> Werwath *et al.*, Helping People Get Jobs, *supra* note 65, at 45.

<sup>98</sup> The Roberts Foundation, *New Social Entrepreneurs: The Success, Challenge and Lessons of Non-Profit Enterprise Creation*, A Progress Report on the Planning and Start-up of Non-Profit Businesses from the Roberts Foundation, Homeless Economic Development Fund 2-3 (1996).

<sup>99</sup> The National Center for Social Entrepreneurs, *Social Entrepreneurship and Venture Capitalism: The Future of Philanthropy?*, Washington Areas Lawyers for the Arts, Second Annual Arts and Entertainment Law Symposium (Nov. 9, 2000).

<sup>100</sup> *Id.* at 97.

<sup>101</sup> Self-Employment and Very Low-Income Women: A Final Report on the Experience of the San Francisco Homeless Women's Economic Development Project 31 (May 1995).

<sup>102</sup> *Id.*

<sup>103</sup> For information about Asian Neighborhood Design (AND) visit the website at <http://www.andnet.org/home.html> (last visited July 31, 2000).

<sup>104</sup> Jed Emerson, *The U.S. Nonprofit Capital Market: An Introductory Overview of*

*Developmental Stages, Investors and Funding, The Roberts Enterprise Development Fund, The Roberts Foundation 1-11(1998). See also By the Year 2005 No Child Will Have to Live on the Streets of Seattle: President of Seattle Children's Home Issues Call for Partnership with the For-Profit Sector to Eliminate Homelessness Among Children, PR Newswire (May 12, 1999).*

<sup>105</sup> The first ever White House Conference on Philanthropy Gifts for the Future on Oct. 22, 1999 “highlighted the unique American tradition of giving, discussed the diverse and changing face of philanthropy and explored how we as a nation can sustain and expand this tradition for future generations.” See <http://www.search.nara.gov>.

<sup>106</sup> Emerson, *supra* note 104, at 15.

<sup>107</sup> *In Brief: Giving, Study Shows Gifts by Entrepreneurs*, The Chronicle of Philanthropy (Nov. 30, 2000).

<sup>108</sup> *Id.*

<sup>109</sup> Between 1992 and 1996 government funding increased only 2.9% compared to 8.4% between 1987 and 1992. Emerson, *supra* note 104, at 7.

<sup>110</sup> *Id.*

<sup>111</sup> Karl Taro Greenfeld, *The New Philanthropy, A New Way of Giving*, Time Magazine, July 2000, at 50-51.

<sup>112</sup> David Whitford, *The New Shape of Philanthropy: The Internet Generation is Bringing the Principles of Venture Capital to Philanthropy, it's Innovative-But is it Effective*, Fortune, June 2000, at 315.

<sup>113</sup> Shashank Bengall, *California Community Leader Discusses Future of Venture Philanthropy*, San Jose Mercury News, Aug. 9, 1999.

<sup>114</sup> *By the Year 2005 No Child Will Have to Live on the Streets of Seattle*, *supra* note 104

<sup>115</sup> For more information about the Seattle Children’s Home visit their website at <http://www.seattlechildrenshome.org> (last visited April 18, 2001).

<sup>116</sup> It is noteworthy several AEO members in Ohio and Boston report successful relationships with attorneys who provide pro bono or reduced fee services. Volunteers of Legal Service (VOLS) in New York works with microentrepreneurs who have been identified by economic development corporations such as the Business Resource and Investment Center in Harlem. VOLS asks law firms to pledge 30 hours of pro bono time. Law firms have helped microbusiness with “food preparation, clothing design, operating a beauty salon, child care, writing and so on. The legal work includes preparing organization documents, reviewing contracts and financial documents, leasing issues,

assistance on workers' compensation, licensing and employment matters." Lawyers provide one-on-one legal counseling and make presentations on legal issues such as commercial leasing and choice of legal entity. *Pro Bono Part II, Organizations VOLs: Moving People From Welfare to Employment - Microenterprise and the MFY Partners*, The Metropolitan Corporate Counsel 50 (Sept. 2000).

<sup>117</sup> Gregory G. Maher, *Charitable Economic Development: It's Time the IRS Took Another Look*, 7 J. Affordable Housing and Community Dev. Law 31, 33 (1997).

<sup>118</sup> Heather Grottry, *Profit or Perish: Nonprofit Social Service Organizations & Social Entrepreneurship*, 2 Geo. J. on Poverty L. & Pol'y 249, 272-274 (1999).

<sup>119</sup> Workforce Investment Act of 1998, Pub. L. No. 105-220, 112 Stat. 939 (1998) (codified as amended at 29 U.S.C. §§ 2801-2945).

<sup>120</sup> WIA mandates that each state's governor establish a workforce investment board to designate local work force investment areas, overSee the establishment of local boards and one-stop service delivery systems in the state. Bass, *Adult and Dislocated Worker Job Training Provisions of Title I of the Workforce Investment Act of 1998*, *supra* note 46, at 525-528, 649.

<sup>121</sup> Sharon Dietrich *et al.*, *An Employment Law Agenda: A Road Map for Legal Services Advocates*, 33 Clearinghouse Rev. 543-47 (Feb. 2000).

<sup>122</sup> For more information on the faith-based initiative, See website at [www.whitehouse.gov/news/reports/faithbased.html](http://www.whitehouse.gov/news/reports/faithbased.html) (last visited Feb. 15, 2001).