

Building Businesses by Building Credit:

A Case of Two Vermont Microenterprise Programs

Introduction

While microenterprise practitioners have long had financial education and skill building as part of their suite of products and service offerings, the past few years have brought an increased focus on building credit and promoting financial capability. With the erosion of credit quality and the burgeoning of a new crop of unbanked consumers during the financial crisis, many microenterprise organizations have looked to new approaches to serve clients who want to grow or start businesses, but whose ability to access financing, rent space or access affordable vehicle insurance for their businesses is hampered by poor or nonexistent credit.

As a result, varied efforts to offer relevant programming to build or rebuild credit have become more widely practiced in the past several years. As Table 1 on the next page indicates, the two-year period from 2008 to 2010 saw a significant increase in the number of microenterprise programs engaged in tracking credit scores, reporting loan performance to credit bureaus and offering credit-builder loans.¹ This focus on financial capability goes beyond *knowledge acquisition* to also center on *longer-term behavioral* change. This new emphasis, which typically includes access to and assistance

About this Research

This case study is part of an ongoing research project by FIELD that examines how U.S. microenterprise development organizations (MDOs) can scale up their Business Development Services (BDS) in order to serve many more microentrepreneurs and to serve them effectively. In this project, BDS are defined as non-financial resources, including, but not limited to, training and technical assistance, which microenterprise organizations provide to help entrepreneurs start and grow their businesses. This case study is complemented by two other publications, *Financial Literacy and Credit-building Services Among Microenterprise Development Organizations* and *Building Financial Skills for Business Success*, which examine the state of the U.S. microenterprise industry's practice in financial education and credit building. This BDS research project is supported with funding from the U.S. Small Business Administration's PRIME (Program for Investment in Micro-entrepreneurs) program, as well as with funding provided by the Citi Foundation in support of FIELD's Asset Building through Credit (ABC) Pilot Program.

¹ Credit-builder loans are small loans, typically between \$500 and \$1,000, which are reported to credit bureaus. The primary purpose of the loan is to demonstrate strong payment performance on an installment loan.

Table 1: Credit-building Services of Microenterprise Programs²

	NUMBER OF PROGRAMS		PERCENT CHANGE
	2008	2010	2008-2010
Track credit scores	98	178	82%
Report credit performance	50	98	96%
Make credit-builder loans	17	71	318%

with the sound use of financial products, is an emerging trend in how microenterprise organizations are serving entrepreneurs.

Focus of this Case Study

This case study profiles two institutions in Vermont, the Champlain Valley Office of Economic Opportunity (CVOEO) and Central Vermont Community Action Council (CVCAC), that have made credit building and financial education central pieces of their microenterprise programming. Their motivations for focusing in this area largely flow from their missions as anti-poverty organizations, realizing that, if businesses are going to move toward a healthier financial future, they need to build stronger credit behaviors and scores. This case study explores the organizations’ suites of credit-building services, including their participation in a national pilot program that seeks to improve the credit profiles of microentrepreneurs using a secured credit card coupled with credit coaching and education. The pilot seeks to understand whether cardholders build credit and progress toward their business goals and also whether the card helps microenterprise organizations build scale.

The Vermont Context

CVCAC and CVOEO operate in both urban and rural settings in the state of Vermont. CVOEO’s main office is located in Burlington, Vermont — within a metropolitan area of about 200,000

residents that comprises approximately one-third of Vermont’s total population. The organization is one of five Community Action Agencies in the state and primarily serves the northwestern corner of the state. CVCAC’s main offices are located in Barre, Vermont, but its coverage area includes 56 towns. Both organizations also operate some statewide or multiregional initiatives that extend beyond their core service areas.

With its lack of large national financial institutions, Vermont has a unique banking environment comprised heavily of regional banks and credit unions. Its strong credit union movement dates back to the 1940s, with approximately 69 credit union locations throughout the state. With a similarly small and local business focus, the target population of the pilot is microenterprise clients — individuals who are looking to start or are currently expanding a microbusinesses, but who face challenges because of blemished credit or lack of credit experience.

Why a Focus on Building Credit?

CVCAC started seeing credit issues as a huge problem for clients across the organization’s many programs starting in about 1996. It began seeing a trend of clients participating in costly debt consolidation programs and saw that tendency as a threat to a client’s financial security. The organization conducted more extensive research into credit reporting, and a local community foundation funded a business plan

² Data from microTracker website; see www.microtracker.org.

for more structured credit-building programming. Varied parts of the agency began attacking the problem of credit building by developing a credit curriculum, provided first through its Micro Business Development Program and then became a strong emphasis in its Individual Development Account (IDA) program. The IDA curriculum's credit focus was fairly unique at that time, because, nationally, not all IDA programs had a focused credit curriculum.

One of CVCAC's programs in particular emphasized the importance of building credit as a necessary staple of its work providing resources to assist clients to move toward economic security. CVCAC's Car Coach program (which helped low-income clients get stable transportation for work) involved the organization's providing a guarantee so that clients could get a reasonably priced bank loan. Despite the favorable guarantee, many clients still could not get loans because of damaged credit. Moreover, even if they were able to secure a loan, clients still faced expensive rates on car insurance because of their impaired histories.

By 2006, CVCAC's involvement in credit-building activities made the organization an industry leader. The organization was a founding partner of the Credit Builders Alliance (CBA), whose mission is to help low- to moderate-income individuals currently served by community lenders to build their credit and access conventional financing. CBA facilitates community lenders' reporting of loan repayment data to the major credit bureaus and enables members to access credit reports and scores to assist in monitoring improved credit behavior.

CVCAC's involvement with the secured card pilot sprang from wanting to step beyond the credit education and coaching aspect of the work to offer a financial product that could be a more active tool for helping its clients to build

their credit scores. As the box below illustrates, the most rapid way to build credit is to perform well on active trade lines, including revolving credit. CVCAC is not a lender, and thus was not able to directly offer either credit-builder or microenterprise loans to its clients. Thus, CVCAC was particularly interested in a safe secured card product that could help clients gain and demonstrate positive experience with managing credit. The thinking was that access to such a product would further encourage the movement toward financial capability and longer-term behavior change.

CVOEO's involvement in credit-building work stemmed from its work with IDAs. The organization had offered financial education for

Critical Steps in Building Credit

According to Credit Builder's Alliance, organizations seeking to assist their clients to build credit need to work with them to address five critical steps:

Understand that Credit is an Asset: Credit is a valuable financial asset. Building, re-building and maintaining a good credit score may be the single most important factor in obtaining assets.

Know the Score: Customers need to know their credit score and the contents of their credit report, and understand what this "financial résumé" says about them to potential creditors, employers and others.

Get Good Stuff Going: Paying on time on active lines of credit that are reported monthly to the credit bureaus is the fastest way to build credit.

Know the Goal: Help clients link the credit-building process to achieving their overall financial goals through the development of a credit-building plan.

Delve Deeper out of Debt: Once clients have established active, well-performing lines, they can focus on tackling their existing debt issues.

For more information, see CBA's Credit Builder 5-Step® at <http://www.creditbuildersalliance.org/toolkit-credit-builder-5-step/credit-builder-5-step/>

over a dozen years through the curriculum built into its IDA programming (similar to CVCAC, as the two organizations have collaborated closely). The organization saw a much larger need for financial education, given the limited population that the IDA programming touched, and, in 2005, secured funding to provide financial education to a larger population. Since its inception, the organization's financial education program has had a significant section on credit.

By 2007, the organization introduced individual coaching to complement its financial education classes as staff identified the need to personalize and individualize the programming to achieve greater effectiveness. Today, the individual coaching remains very focused on credit issues. In 2009, both organizations joined CBA in order to generate soft-pull credit reports, which strengthened their abilities to work with clients on specific credit issues. The organizations are also able to access FICO and VantageScore credit scores for their clients via CBA. FICO scores can be used to track improvements in clients' credit behavior, while VantageScore scores can be shared with clients as an educational tool and the basis for dialogue.

More recently, CVOEO sought to help clients access financial products that can reinforce positive credit behavior. The organization had informally been working with a local credit union to refer clients to small savings accounts, with the goal of using the savings toward opening a secured card at the credit union. Participation in the Asset Building through Credit (ABC) pilot dovetailed with CVOEO's desire to offer a secured credit card more widely among its client population.

Suite of Credit-building Products and Services

CVOEO's Financial Futures program is the umbrella for its microenterprise training, IDA, and

Growing Money financial and credit-education programming. It provides education and training to low- to moderate-income clients who need help building financial capability or who seek to start, formalize or expand a business.

The *Growing Money* financial education curriculum has several modules: *Spend Smart*, which focuses on goal setting, detailed budgeting and tracking of expenses, and managing financial emergencies; *Keys to Credit*, which spans two sessions that go into detail on the basics and importance of credit and offer specific financial coaching/counseling opportunities in this area; and *Creating a Financial Future*, which covers skills, tools and processes involved in successful saving, and introduces the subject of long-term investing and managing assets over a lifetime. Participants who have gone through these modules and are starting to build savings strategies can apply to the IDA matched savings program.

CVOEO also regularly joins with local partners in sponsoring Free Credit Report Review Days, events where multiple organizations join to market and implement an occasion when low-income people can schedule a time to have their credit reports and scores made available at no cost, and spend about 30 minutes with a coach getting a review of their credit status and some quick education. CVOEO works with partners to deliver other credit services, as well. For example, CVOEO refers individuals who need a formal debt reduction plan to the national nonprofit, GreenPath; it also occasionally works with the Vermont Attorney General's Consumer Assistance Office to assist people to deal with especially aggressive collection agencies.

CVOEO also provides both individual business counseling and business planning classes. Workshops and individual consulting on how to access business financing make the *Keys to Credit* coursework a particularly important tool. Those

who have completed *Keys to Credit* will be assessed for, and, if appropriate, introduced to the secured card product. The organization also works with a Volunteers in Tax Assistance (VITA) site during the tax season where it offers clients the opportunity to pull and review their credit reports, and, if interested, move into the *Growing Money* track.

Similarly, CVCAC offers a host of financial education and credit-building services. It offers one-on-one credit, budget, and financial coaching and counseling, as well as group workshops on topics including building credit, investing for retirement and IDA basics. The organization's Micro Business Development Program provides training and technical assistance for startup or expanding businesses including individual support, networking opportunities and a technology resource center. Similar to CVOEO, for entrepreneurs who are seeking financing or are merely trying to get their finances in order, individual credit support from a CVCAC microenterprise counselor allows the business owner to assess strategies toward building credit.

Ultimately, the message relayed by both organizations is that growing a business requires strong credit, because with poor credit, expensive alternatives become more pervasive – whether it means paying more for insurance on a business vehicle or not having access to the financing necessary to invest in an opportune business expansion. As part of this message, entrepreneurs are informed that the time to build credit for a business is well before it is needed, and that building their score helps their business and personal credit at the same time.

Organizational Requirements for Credit Building

What does it take to offer credit-building services and products to microenterprise clients? Critical capacities include:

Credit Repair versus Credit Building



Focuses **first** on examining all the debt a person has acquired and then devising a plan to reduce or eliminate the debt in order to repair a poor credit report.



Focuses **first** on raising a credit score through establishment of active lines of credit.

- ▶ The systems and staff capacity to pull and analyze credit reports;
- ▶ Staff capacity to provide individualized coaching to clients on strategies for building their credit;
- ▶ Providing access to financial products that report to credit bureaus, so clients demonstrate positive payment on active lines of credit; and
- ▶ Funds to support this area of work, with the primary cost being the staff to deliver credit counseling and support services.

In providing coaching to clients, it is important that staff understands and can convey the key steps in building, rather than repairing, credit.

At CVCAC, credit coaching and education is provided by staff who also serve as business counselors. Staff started as business counselors, but gained experience in reviewing credit reports and credit coaching as the organization expanded its programming to take on the issue of credit building. CVOEO has a somewhat different approach. Although the organization's business counselor is versed in credit matters, it has dedicated financial coaches in the *Growing Money* program, and the business counselor always refers people who need in-depth help with

The ***Asset Building through Credit Pilot Program*** is a project, conducted in partnership with Justine PETERSEN, to help five microenterprise practitioners offer a Banamex USA secured credit card, accompanied by credit education, to microenterprise clients. Funded by the Citi Foundation, the central question explored in the pilot is whether a secured credit card, teamed with education, could help entrepreneurs build their credit and businesses. Participating programs have received grant funds to support their costs in developing and operating the secured card program, as well as technical assistance and peer learning on how to offer the product.

credit to the coaches. Both organizations have long-time staff members who have been with their respective organizations since the initial implementation of their IDA programs; these staff have taught the IDA financial education courses and, therefore, learned along with their organizations as they moved to integrate first financial education and then credit building into their work. CVOEO also has a few newer staff members who serve as financial teachers and coaches; these newer staff members have learned from the longer-tenured staff as they have built their own expertise in credit coaching.

CVCAC and CVOEO have also both relied heavily on CBA as a source of technical knowledge and access to credit reports. CBA was hired to conduct a two-day credit-building training in Vermont for the staff of several Community Action Agencies (CAAs). CBA's Access program,

which enables organizations that are not lenders to pull credit reports for educational purposes, has strengthened both organizations' abilities to provide credit coaching. CVOEO has also taken advantage of relationships with staff of other local organizations, including banking institutions, with experience and knowledge in credit building and credit education to build the capacity of its staff. CBA also had a major role in helping both agencies shift from thinking of credit in terms of eliminating debt to thinking of credit as an asset. The former is a real issue for some people; the latter is a real issue for everyone and places attention on the need to add active, positive lines of credit to increase the credit score. By increasing the score, one is positioning oneself to reap the full benefits of credit as an important, ongoing kind of asset.

At present, the primary financial product that both organizations are offering to entrepreneurs is the Banamex USA (BUSA) secured credit card. From a staff capacity perspective, adding a secured card to CVCAC's and CVOEO's suites of credit-building services has required that staff develop more specific expertise in assessing client readiness for the product. That process has largely involved training from Justine PETERSEN, a CDFI which initially piloted delivery of the BUSA card and that manages an online portal through which approved nonprofits can submit applications on behalf of their clients. These trainings have focused on a range of topics: the credit criteria for the BUSA secured card; how to analyze a client's credit report and status to determine whether a secured card can be a good tool to improve his or her credit score; how to support the application process (in this case, through the online portal); marketing strategies for the card; and the process for monitoring and supporting the client's use of the card once it has been received. These trainings

have taken place both in person, at an initial convening of the microenterprise programs engaged in the ABC pilot, and, virtually, through monthly conference calls and Webinars.

In addition to the BUSA secured card, CVOEO is providing referrals to two other financial products, each of which is offered by a local credit union. These include a “Tracker Loan” offered by Opportunities Credit Union. In this product, clients commit to save a certain amount of money over a period of one year. Funds are not advanced to the client, but are held in a savings account at the credit union. Payments made on the loan are reported to the credit bureaus, thereby adding an active installment loan to the applicant’s credit profile. Some clients who are challenged to accumulate the deposit required for the BUSA secured card are referred to the Tracker Loan as a tool to help them save toward the deposit, while also establishing an active line of credit. CVOEO also can refer clients to a secured credit card offered by the New England Federal Credit Union.

Grant funding supports both organizations’ credit-building programs and products. CVOEO’s *Growing Money* program, focused on financial education and coaching, is funded through private and public sources, including a local credit union foundation, several local banks, and some state and Community Services Block Grant (CSBG) dollars raised by the agency. CVCAC’s credit-building work is similarly supported by a patchwork of grant funding. The agency has a small appropriation from the state for its work with IDAs, while the microenterprise work has some state appropriations and CSBG funding, and federal funding (from the PRIME program), in addition to funding from several private foundations. Neither organization charges any fees to its clients, either to pull credit reports or for its financial and credit education and counseling services.

Scale of Credit-building Services

Both CVOEO and CVCAC have substantial credit-building programs, both in terms of the breadth of services received and the number of individuals reached. In 2010, CVOEO served more than 1,000 individuals through its *Financial Futures* program. *Growing Money* clients increased from about 125 served in 2007 to 500 in each of 2010 and 2011, and the program is on track to serve 675 individuals in 2012. The number of CVCAC clients receiving financial classes and counseling grew from 151 in 2011 to 451 from January through July of 2012. Together, the two organizations serve more than 500 microenterprise clients annually. On average, 14 percent of *Growing Money* participants (70) have accessed Tracker Loans in each of the past three years. Only nine clients have accessed the New England Federal Credit Union’s secured credit card (first introduced last year) to date, although this is partly because the organization has shifted to actively marketing the Banamex USA card. In joining the ABC pilot, the two groups collectively committed to reach 100 entrepreneurs (and aspiring entrepreneurs) with a secured credit card, teamed with credit coaching, over a one-year period.

Critical Implementation Issues

CVCAC and CVOEO are working to address several critical issues as they work to integrate a financial product – the secured card – into their suites of credit-building products and services. These include:

Understanding competing products in the market. Given the many credit unions in the local market, there are other secured cards available. These are not heavily marketed, so there is not a high level of awareness about them. In addition, the branch locations of the credit unions are not always easily accessible to individuals living in rural areas. In order to effectively market a secured card – or other financial product – it

is important that staff understands the relative features of the products available in the local market and be able to articulate the differences.

“It may sound simple, but the most useful part of the counseling session was understanding how to build a credit score...what the right mix of credit is, only using 1/3 of the line per month, and always paying on time.”

Chris, CVOEO client

Building awareness of the value proposition offered by the product. Before the recent financial crisis and credit crunch, unsecured credit cards were more freely available. Secured credit cards were typically offered as “turn down” products and were not heavily marketed by card providers. As a result, the awareness of the value of secured credit cards in establishing credit is not well understood. In order to effectively market a secured card, CVOEO and CVCAC have found it necessary to engage in educational and marketing activities that build their clients’ understanding of building credit and the value of a secured credit card to that process. They then must also be able to articulate the specific value proposition that the BUSA card offers relative to other secured cards available in the local market.

Building counselors’ comfort with and acceptance of the product. It has also been important for the management at CVOEO and CVCAC to educate the counselors who will be delivering the secured card about the relative value of the product. This process has involved not only providing information about the features of the card (interest rate, fee structure, required deposit), but also about other critical features, including the underwriting criteria

(will clients get approved, or will many be declined?), customer service (will BUSA be responsive to customer inquiries and treat our clients well?), and, most importantly, the impact on client credit scores (how will scores change over time?). Because the ultimate test of the card’s value is whether cardholders’ credit scores rise over time, it has taken some time to build the counselors’ support for the card.

Building counselors’ expertise in offering the product. One of the critical functions of the financial/credit counselor is to work with clients to build credit action plans and to determine whether the BUSA card is a good tool to help a particular client achieve his or her credit-building goals. This process involves the ability to analyze the clients credit report and financial status, to assess his or her readiness and ability to use a secured card to build credit (rather than to support greater consumption), and to determine the client’s fit with BUSA’s underwriting criteria for the card. The latter issue is critical, because neither the microenterprise organizations nor BUSA wants to see high levels of rejected applications (to date, the acceptance rate on applications submitted by CVOEO and CVCAC is 92 percent). As noted above, building the expertise of the counselors has involved an ongoing process of training and peer exchange with other organizations engaged in marketing the secured card.

Building a sales mentality and culture among staff. Achieving a level of scale in offering a financial product requires developing a sales capacity and approach within an organization. This means being able to effectively describe the value of the product to customers; developing systems to identify potential clients, track interest and follow up through the “sales” process; and developing understanding about the product and its value among staff at many levels and many roles within the organization

(including receptionists, counselors in other departments, etc.). The goal of the latter is to maximize the process of reaching out to and identifying potential customers for the product across the organization's entire client base.

Identifying mechanisms to accumulate the deposit. One of the challenges that CVOEO and CVCAC have encountered in marketing a secured card is that some clients find it difficult to acquire the deposit. As staff members have identified this issue, they have begun working to identify other products that can help clients in this process. One such tool is the Tracker Loan offered by Opportunities Credit Union. One downside of this approach is that the process of saving over a minimum 12-month period obviously delays the client's ability to apply for the card. However, the advantage is that the Tracker Loan provides another line of credit for the customer (an installment line to complement the revolving line) that can help him or her to begin the credit-building process, while waiting to save the deposit for the secured card (which has the advantage of being a permanent line of credit).

Although the issues described above relate to the experience of the two organizations in offering a secured credit card, most would apply to the delivery of any financial product. If the goal is to achieve any significant level of scale with the product, the offering organization will need to understand the competition, ensure that its staff buys into the product, build the capacity to deliver and support the product, and implement a marketing campaign that builds awareness of the value of the product.

Is a Credit-Building Financial Product for your Organization?

CVCAC and CVOEO are still in the relatively early stages of broadening their suites of credit-building services to include access to a financial product.

While the organizations still have much to learn as they continue to work toward greater scale in delivering a secured card, their experiences do suggest a set of key lessons that other microenterprise organizations should consider in determining whether a financial product is a good fit for the organization. These are:

Provide services that are specific to building credit, not simply financial education. To assist clients to use financial products to build credit, they must be assisted to understand the factors that will drive their credit score and the card-related behaviors that will result in higher scores. Providers need to be able to pull credit reports, and staff needs to be able to analyze them and identify the critical steps that could improve a client's credit. Clients also need to be educated about and reminded of the key behaviors that can increase their score; notably, always making payments on time, keeping balances low (less than 30 percent of the credit limit; preferably even lower) and maintaining the line over time. Although a broader education in financial literacy and behaviors can also be important and useful to clients, building credit involves a more specific set of issues and behaviors. Thus, organizations that want to offer a credit-building financial product will need to invest in building their capacity to provide credit-related coaching. They should also understand that, to achieve some scale in their credit-building programs, they need to ensure that the entire organization understands and messages the importance of building credit.

Build awareness of the benefits of building credit. As noted above, many potential clients are likely unaware of the importance and benefits of building credit — not only in terms of access to and the cost of business credit, but also in accessing more affordable products of many other types. And, increasingly, employers and landlords are using credit scores to screen applicants. It is

Questions to Ask in Assessing Readiness to Offer Credit-Building Products

Providing credit-building services vs. financial education:

- Do you currently offer credit-building services or are you willing to invest the time and resources to offer them?
- Are you willing to incorporate information and messaging about credit building into all of your core programs?
- Do you have the ability to pull credit reports?

Building awareness of benefits:

- Do clients (and staff) understand the importance of credit building?
- Is staff comfortable with selling products?
- What secured credit card products are in the marketplace?
Are you familiar with their terms?
- Does staff know how to use a secured card to build credit?

Assisting clients in acquiring deposit (if required for the product):

- Does your organization have mechanisms to assist clients to build/acquire their deposit?
- If not, can you partner with a local organization to provide credit or savings products that can be used to build/secure the deposit?

Understanding the dynamics of the nonprofit/financial institution relationship:

- Do you understand the motivations and goals of your partner financial institution?

therefore important to build marketing campaigns that inform clients of the benefits of a higher credit score, and, in the case of a secured card, of the specific role that product can play in building credit. In fact, to CVCAC and CVOEO, one of the important aspects of participating in the ABC pilot was that it would produce data that could demonstrate how long it took actual participants to increase their score and how much of an increase could be accomplished. Having this data has been very helpful in selling the product.

Provide access to mechanisms to acquire the secured card deposit. Experience with the ABC pilot has indicated that some clients will have difficulty accessing the funds needed for the security deposit. Organizations that are microenterprise lenders can consider offering small credit-builder loans to provide funds for the deposit. Those that are not lenders can consider other approaches, looking to savings or loan products offered by other financial institutions, including CDFIs. If these complementary products

are structured as loans that report to the credit bureaus, they bring the additional benefit of providing a second line of credit that can help to raise the customer's score even more rapidly.

Understand the dynamics of the nonprofit/financial institution relationship. Although some nonprofits can offer credit-building loans directly, those that are not lenders, or those that cannot offer other products such as credit cards, will need to partner with a financial institution. As in any partnership, success requires a clear understanding of the roles that each partner will play, the issues and constraints they face, their motives for collaboration, and the metrics they will each use to judge success. In the case of partnerships with financial institutions, this includes understanding the requirements that regulated institutions must place on those who deliver their products – such as the ability to secure and maintain confidential information, willingness to execute a legal agreement and to participate in audits or reviews to demonstrate compliance, and the ability to be consistent in the product marketing and delivery process.

Conclusion

Building credit will continue to play an important role in preparing microenterprise clients for business success in the coming years. Microenterprise practitioners that have been at the forefront of this move to instill financial capability – by combining financial products with financial assistance and coaching to motivate behavior change – have begun to understand the dynamics involved in offering new products and services successfully. Some of those learnings are institutional – about whether the organizational framework to offer credit-building products is in place, and, if not, what aspects of the framework need adjustment to scale a product. A deeper understanding of the market has driven other lessons – regarding clients' awareness of credit building and the extent to which the value proposition offered by the product resonates with the target market. Understanding the answers to these types of questions will shed light on the potential contribution of these types of products and services not only in building scale, but also in more effectively serving clients.

Progress Notes from FIELD offer case-study examples of innovation and advances in the practice of business development services. These Notes document practice as it is evolving and point to promising initiatives from which others can learn.

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Readers interested in learning more about financial literacy and credit building are invited to visit the FIELD Web site, <http://fieldus.org/Projects/FinancialEd.html>, for additional resources developed or identified by FIELD. Some of these include:

Financial Literacy and Credit-building Services Among Microenterprise Development Organizations. FIELD undertook a “scan of practice” in 2010 to document both the current body of work in the field, and emerging and promising new directions taken by

practitioners. The scan reviews literature on financial literacy, education and credit building, survey data from microenterprise organizations, and interviews and discussions with microenterprise practitioners.

Building Financial Skills for Business Success: A Case Study of the Latino Economic Development Corporation. While microenterprise development organizations have long been active in the personal finance space, many have begun to expand their work in this area to include a focus on credit building. In this case study, FIELD highlights the work of D.C.-based Latino Economic Development Corporation (LEDC). LEDC has incorporated new credit-building elements into its microenterprise programming and the case offers initial lessons drawn from its experience.

Microenterprise Programs as Credit Builders. Co-authored with the Credit Builders Alliance, this FIELD guide explores key challenges in building credit, describes new products being offered by microenterprise programs and identifies opportunities for funders. <http://fieldus.org/Publications/FunderGuide14.pdf>.

Additional Resources:

Credit Builders Alliance's (CBA) mission is to help low- and moderate-income individuals currently served by non-traditional financial and asset-building institutions build their credit and access conventional financing. CBA offers various products and services tailored for practitioners. For more information, <http://www.creditbuildersalliance.org>.

From Financial Education to Financial Capability: Opportunities for Innovation. This 2010 research paper, authored by the Center for Financial Services Innovation (CFSI), discusses the shift toward financial capability within the financial literacy and education arena. The paper highlights innovative programming by both for-profit and nonprofit actors. <http://www.cfsinnovation.com/publications/article/440486>.

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