

# REFUGEES PATH TO INTEGRATION THROUGH BUSINESS AND ASSET DEVELOPMENT

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- ✘ Individual Development Accounts Program
- ✘ Microenterprise Program
- ✘ Home Based Child Care Program
  - ✘ Presenters
    - ✘ Marijana Ababovic, TA provider, ISED Solutions
    - ✘ Sisay Teklu, IDA, CEDS, Denver CO
    - ✘ Eyob Teklu, IDA, Lutheran Services, IDA, Sioux Falls, SD
    - ✘ Jon Vosper, Microenterprise, IRC Phoenix AZ
    - ✘ Kyle Wilke, Diocese of Olympia, Child Care, Seattle WA

# OVERVIEW

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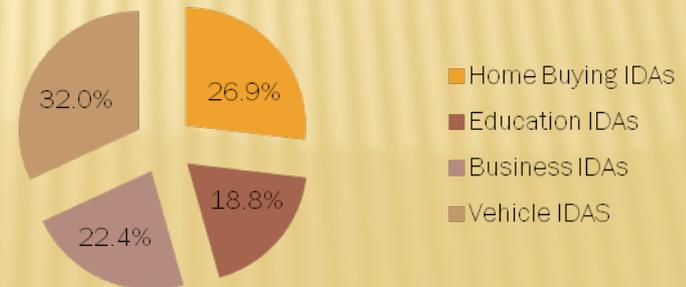
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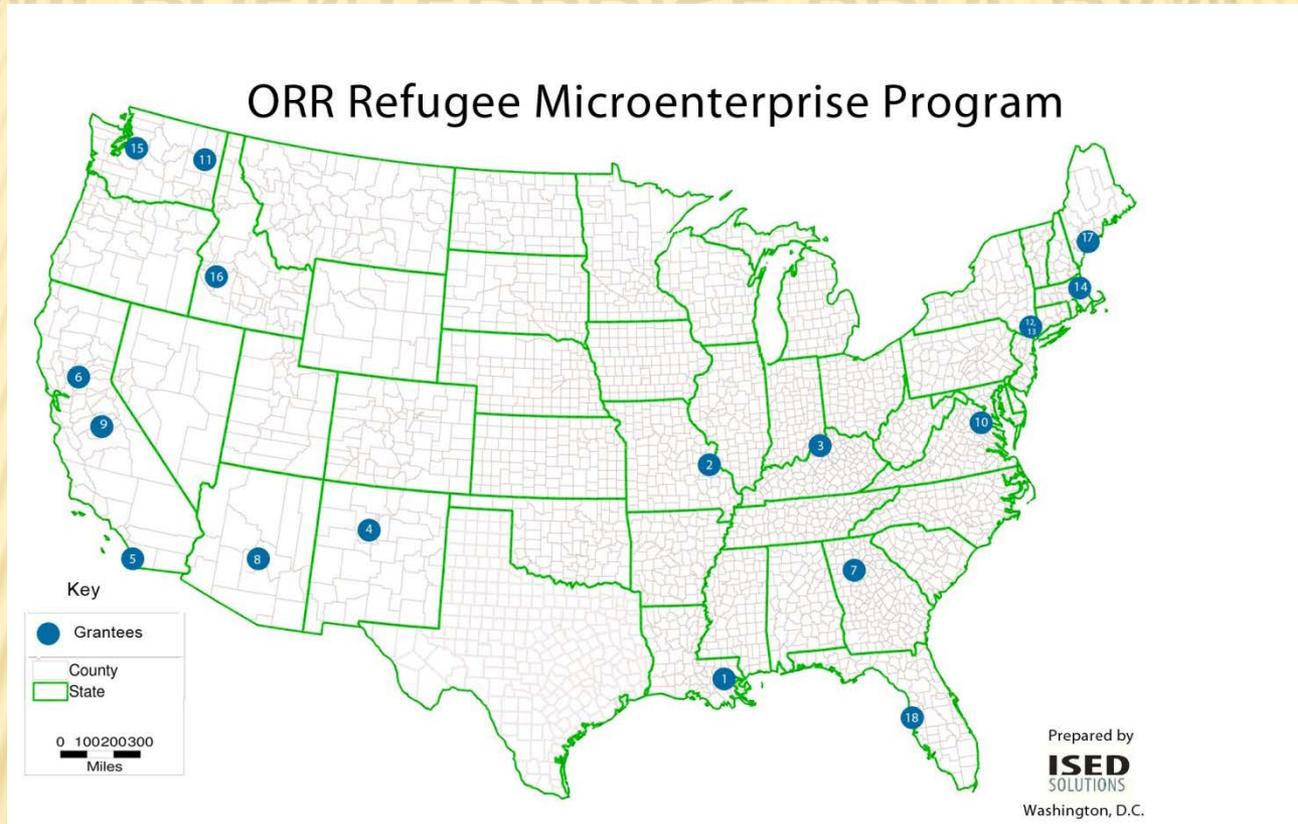
# ORR IDA RESULTS

<b>Obligation rate (annual)</b>		<b>95%</b>
	<b>Number of accounts</b>	<b>Amount obligated</b>
Home Buying IDA Accounts	289	\$ 1,071,500
Education IDA Accounts	278	\$ 748,000
Business IDA Accounts	334	\$ 890,573
Vehicle IDA Accounts	511	\$ 1,272,427

**Amount%**



# ORR MICROENTERPRISE PROGRAM

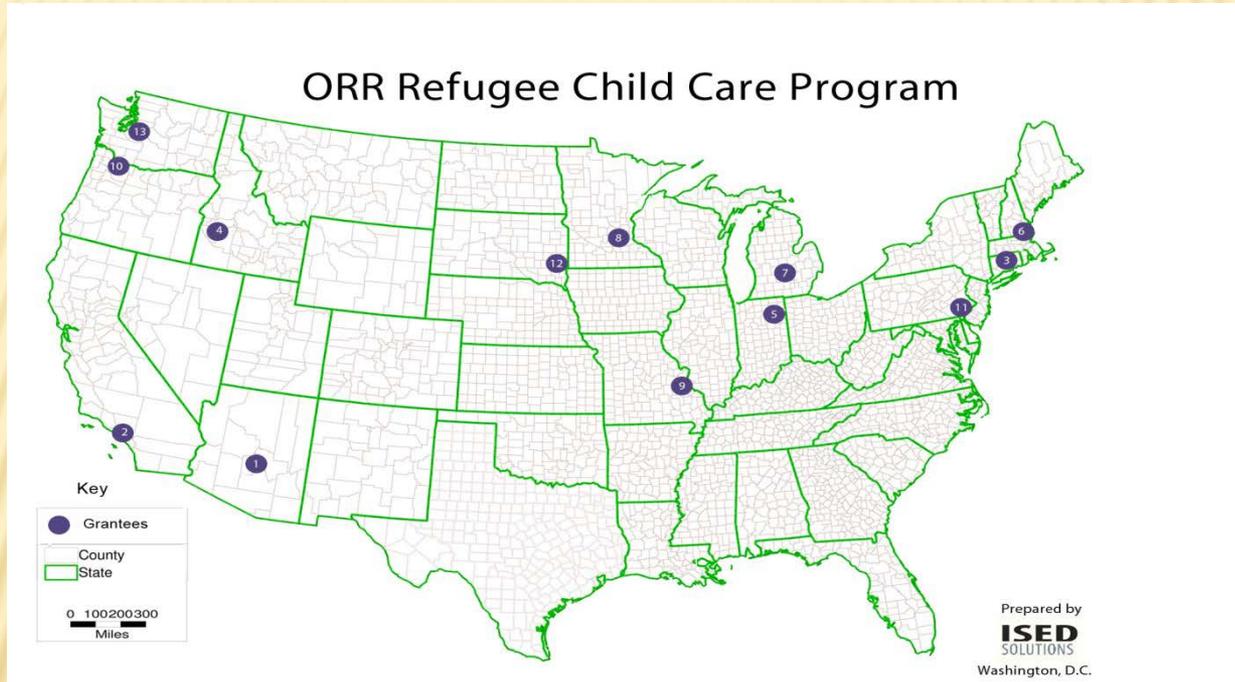


<http://www.acf.hhs.gov/programs/orr/programs/microenterprise-development/about>

# ORR MICROENTERPRISE RESULTS

The number of refugees served in RMED (2011)	
Training	1,051
Technical assistance	1,362
Loans	548
Other	71
<b>TOTAL</b>	<b>3,032</b>
Refugees businesses assisted	
Helped a business start	295
Strengthened business	526
Helped business expand through job creation	127
<b>TOTAL</b>	<b>948</b>
Number of Loans made in 2010	
Number of ORR funded loans	291
Number of loans from other institutions	267
<b>TOTAL</b>	<b>558</b>

# ORR HOME BASED CHILD CARE PROGRAM



# ORR HOME BASED CHILD CARE PROGRAM

6 months results

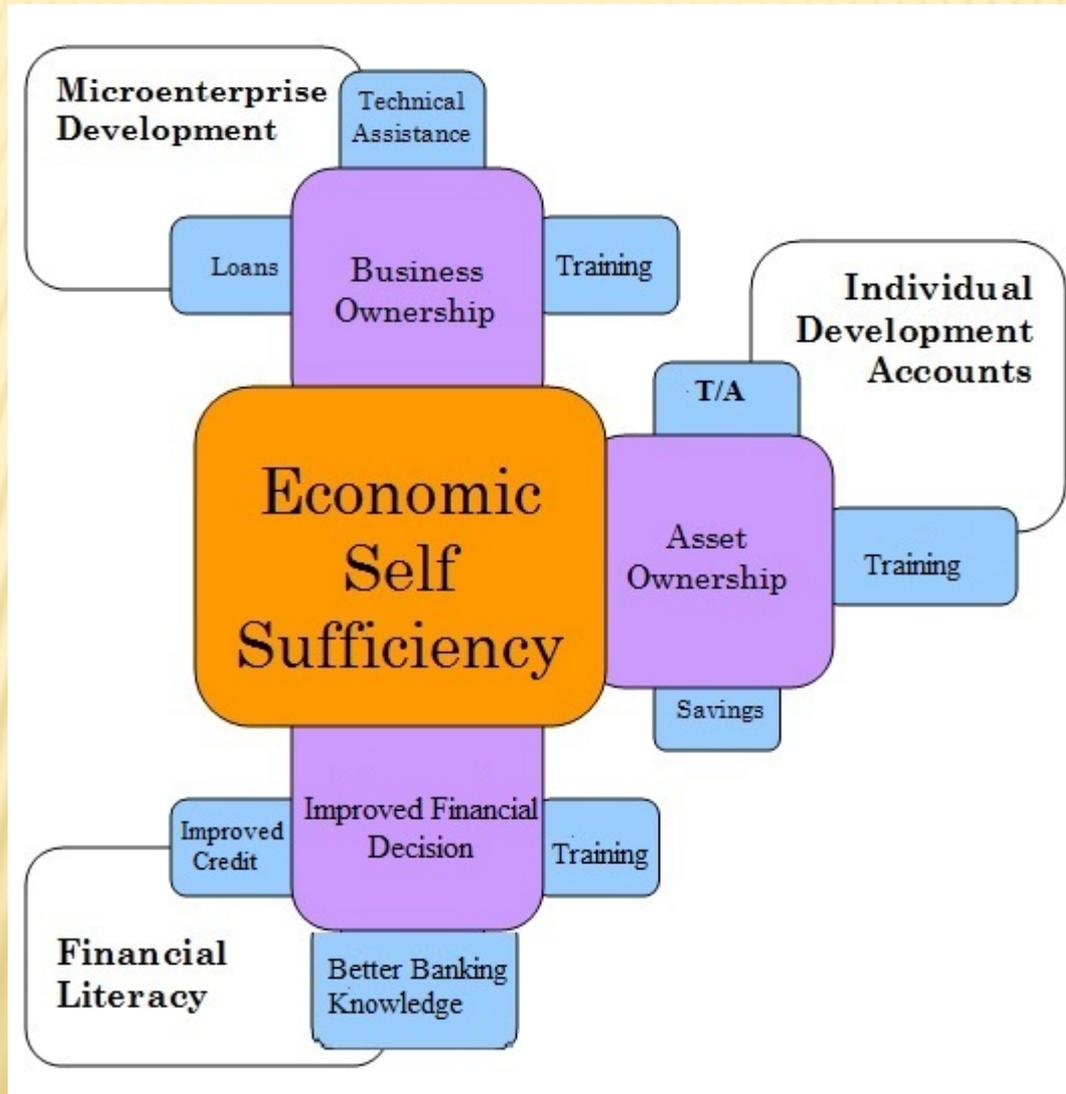
- ✘ 606 refugees enrolled
- ✘ 460 trained
- ✘ 104 licensed

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**COMMUNITY ENTERPRISE  
DEVELOPMENT SERVICES  
DENVER  
COLORADO**



# CDCS :PROGRAM HIGHLIGHTS



# IDA REFUGEE PROGRAM

- × Goal: The goal of the refugee IDA program is to help low-income refugee individuals and families attain economic/financial self-sufficiency through behavioral change from consumption on impulse to prudent savings and investing to acquire assets and/or acquire skills.
- × 2011 -12 results
- × 100% obligated and,
  - 26 clients waiting list
- × 36 home accounts
- × 14 business accounts
- × 8 education accounts
- × 9 vehicle accounts



“I did not believe there is such a program that will help me settle with my Family in my house after all we suffered back in my country. The IDA and Habitat realized my dream.” a refugee from Burundi

The family volunteered 500 hours at habitat and didn't have to pay interest on loan  
He used to pay \$900 rent per month for a two bed room  
Now he is paying \$850 mortgage for a three bed room

# SYNERGY OF PROGRAMS

Type of Business	IDA Saving and Matching	MED Loan	Out of pocket Investment	Total Investment	FT & PT job created/retianed
Taxi	\$10,000	\$31,500	\$10,000	\$51,500	3
Restaurant	\$16,000	\$25,000	\$35,000	\$76,000	4
Kiosk	\$14,000	\$7,000	\$8,000	\$29,000	2
Trucking	\$4,000	\$15,000	\$16,000	\$35,000	2
Hood Cleaning	\$8,000	\$10,000	\$12,000	\$30,000	2
<b>Total</b>	<b>\$52,000</b>	<b>\$88,500</b>	<b>\$81,000</b>	<b>221,500</b>	<b>13</b>

Note: table that shows clients whose asset goal was business and, only, include those who borrowed from our refugee loan program.

# CHALLENGES

- ✘ Eligibility criteria – three years limit
- ✘ Organizing IDA ambassadors
- ✘ ‘Walking’ clients to buy house and start business – consumes time and require effective partnership



A sequence of TA that includes financial education, how to acquire commercial drivers' license, business license, truck driving permits, importance of coaching to drive truck, getting access to loan capital and mobilizing additional capital from friends and relatives all were necessary to start up the business.

# LESSONS LEARNED

- ✘ Prioritizing asset goals during enrollment
- ✘ Identify the role of different stakeholders
  - + Banks that deposit your money are not necessarily lenders when buying your asset
- ✘ Home accounts – identify the following
  - + Prepare additional eligibility criteria
  - + Sketch time frame that includes: enrollment, saving, training, pre-qualification, documentation, home search, loan underwriting and closing.
- ✘ seeing is believing



THANK YOU

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# INDIVIDUAL DEVELOPMENT ACCOUNT

Lutheran Social Services of South Dakota  
Refugee and Immigration Center  
Sioux Falls, SD

# LUTHERAN SOCIAL SERVICES OF S.D. REFUGEE & IMMIGRATION CENTER

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- ✘ The refugee and immigration center resettles around **600 new arrival refugees** and **580 secondary migrants** every year between the two sites of Sioux Falls and Huron.

# RESULTS FY 2011

- ✘ 95.8% Obligated for 2011
- ✘ 57 Accounts open for 2011

Saving Goals	# Accounts	Total Obligated in \$
House	15	\$60,000.00
Automobile	28	\$98,000.00
Education	13	\$32,000.00
Business	1	\$4,000.00

# RESULTS FY2012

- ✘ 62.5% obligated for 2012
- ✘ 33 Accounts opened for 2012

Saving Goals	# Accounts	Total Obligated in \$
House	17	\$66,000.00
Automobile	13	\$50,000.00
Education	2	\$8,000.00
Business	1	\$4,000.00

# SUCCESS STORIES

## KANDOLO FAMILY HOME BUYING

- ✦ The IDA program is beyond the matching program; it is about learning the importance of home buying, building credit and understanding the financial system.



# CHALLENGES

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- ✘ Income: our educational enrollment is low due to the income guidelines.
- ✘ Drivers license: The majority of refugees don't qualify for an operators license until the 2<sup>nd</sup> year in the U.S.
- ✘ 3 Years: The IDA program focuses on clients that have been in the U.S. for less than 3 years. The majority of clients have not established credit lines in this timeframe.

# CHALLENGES

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- ✘ Getting approved for home mortgage loans with no credit and low income is difficult.

# THANK YOU!

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Eyob Teklu

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# INTERNATIONAL RESCUE COMMITTEE - PHX

- ✘ Microenterprise Program since 2002
- ✘ ORR Funded \$240,000
  - + Additional \$50,000 FHLBSF Revolving Loan Fund
- ✘ Services in Phoenix and Tucson, AZ
- ✘ Specialized in farm loans
- ✘ Leverages New Roots, IDA, Child Care, VITA and Employment Programs

# HIGHLIGHTS

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- ✘ Approximately \$550,000 in capital disbursed
- ✘ 111 loans disbursed
- ✘ Average loan \$5,000 – averaging lower
- ✘ 95 business starts (6/30/12)
- ✘ 163 jobs created (6/30/12)
- ✘ 91.3% Loan repayment rate
- ✘ Creation of Center for Economic Opportunity

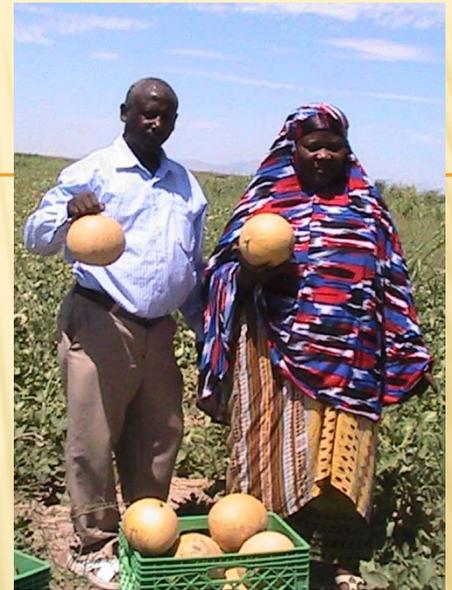
# SUCCESSSES

## ✘ Farmers

- + 36 Loans over \$76,000
- + Accessed more than \$200,000 in USDA loans
- + [www.GilaFarm.com](http://www.GilaFarm.com)

## ✘ Sinbad's Restaurant

- + 3 loans for \$26,500



# CHALLENGES

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- ✘ Scaling Up
  - + Record keeping
  - + Adequate capital needs with high risk clients
- ✘ Media/Marketing
- ✘ Diversification of funding
- ✘ Service area

# LESSONS LEARNED

- ✘ Resourceful and intelligent staffing
- ✘ More formalized programming leads to better loans
- ✘ Create efficiencies in programming
- ✘ Leverage your loan advisory committee
- ✘ Enact your “dreams” now – don’t wait

# THANK YOU

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**Diocese of Olympia  
Refugee Resettlement Office  
Seattle, WA**



# OUR SERVICES

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- × Resettlement
  - + Immigration
- × Self Sufficiency through
  - + ESL
  - + Employment
- × Economic Self Sufficiency
  - + IDA
  - + Micro Enterprise
  - + Child Care ME
    - × \$175,000 Grant
    - × \$52,500 Individual Sub Award





# RESULTS

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- 1) 80 clients trained/assisted
- 2) 27 licensed child care providers
- 3) 37 child care businesses started
- 4) 162 slots for children opened





# CHALLENGES

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- ✘ New regulations for Childcare Providers in Washington State
- ✘ Difficulties obtaining state-required orientations







# LESSONS LEARNED

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- × Pipeline
- × Integration
- × Flexibility
- × Staff

# THANK YOU

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# QUESTIONS ARE WELCOME!

