
Promising Practice Fact Sheet – Workforce Development SNAP Financial Access, Refugee Microenterprise Development Spokane, Washington

Program

Description: Spokane Neighborhood Action Partners (SNAP) is a private, non-profit community action agency that began in 1966 and operates neighborhood offices all over Spokane. Its subsidiary, SNAP Financial Access, offers small business (microenterprise) development assistance to help low-income people become financially stable and build assets. This program offers business technical assistance, short-term training, a revolving microloan fund or loan loss reserve fund, and post-loan technical assistance

Target Population: Low and moderate income refugees

Goals:

- Provide refugees with access to needed resources and to help them make the kinds of connections that create business opportunities.
- Assist refugees in becoming economically self-sufficient.
- Help refugee communities in developing employment and capital resources.
- Enhance the integration of refugees into the mainstream.

Cost: The microenterprise grant is a partnership between World Relief and SNAP Financial Access and is funded by the Federal Office of Refugee Resettlement, Administration for Children and Families.

Evidence: In the last fiscal year Access provided business training and counseling to 189 refugees who are existing or potential business owners. Of those:

- 113 refugee businesses were started, expanded or enhanced.
- 35 new jobs were created, and 48 retained.
- 26 businesses were financed, through loans or IDAs.

Caseload Data:

Current refugee client characteristics include:

- 50% from the former Soviet Union, 22% Burmese, 17% Bhutanese, variety of others.
- 66% have been in the US less than 2 years, 8% have been in the US for 2-5 years, and 26% have been in the US more than 5 years.
- 48% have no or little English skills, 10% have conversational skills, and 7% are proficient in English.

In the first year of the grant, SNAP provided 17 loans to refugees and served 100 businesses helping them to start-up, strengthen, or expand their business. They created 40 jobs and worked with 300 refugees providing training, workshops, and entering in conversations about employment and issues in the US that small businesses have to face.

Services Overview:

- SNAP received a federal grant from the Office of Refugee Resettlement to offer microloans to refugees in the Spokane area, and is currently in year three of a five year grant.

- The two most common businesses helped by this grant are janitorial franchises (the clients don't need language, sometimes the franchise is a second job, and multiple family members can participate) and long haul trucking. In addition, successful businesses have been beauty salons, grocery stores and bakeries, auto repair and construction sub-contractors.
- Clients need to be able to demonstrate re-payment ability in order to get a loan.

Eligibility:

- Any refugee who has not yet become a citizen, as well as some asylees and immigrant parolees.
- SNAP reports at least 82% of their participants are below 80% of the Area Median Income

Findings:

- Self employment is often a viable option for refugees who are entrepreneurial and highly motivated, and can provide a higher income than the minimum wage jobs that are usually available to them in Spokane, or a supplemental income.
- According to the SNAP Financial Access office, partnerships with businesses, loan funders, and voluntary associations have been extremely important in the success of this project. They found that streamlining the business planning and offering one-on-one assistance was the most effective, and lots of follow-up with clients, especially around tax times, was crucial. Offering education on how to get and keep good credit ratings was also a key to success. The payback rate of the loans has been excellent, with only about a 4% default rate over the life of the program.

Implications for Policymakers and Program Developers to Consider:

- The primary issues SNAP faced in starting the microenterprise project were trust and translation.
- SNAP found that establishing a relationship with someone in the community that the refugees trusted (in this case the resettlement agency, World Relief) and reaching out to them helped ease the process.

Resources:

<http://www.snapaccess.org>; Kerri Rodkey, SNAP Financial Access Director, rodkey@snapwa.org;

<http://www.acf.hhs.gov/programs/orr/>