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Lending Works from Progressive Employment Concepts (CA): Helping Business Owners Find Start-Up Capital

Background:

Progressive Employment Concepts (PEC), a community rehabilitation provider with several locations in northern California, was founded in 1995 to support people with intellectual and developmental disabilities (IDD) to find employment in their communities. PEC currently supports 90 people in individual jobs. A core belief at PEC is that everyone it serves is job-ready and can work in competitive employment in their communities.

PEC began Lending Works, a nonprofit organization, in 2007. Lending Works provides loans to people with disabilities interested in self-employment. Loans are usually up to \$2,000, and people apply for them by submitting information about themselves and their business plan.

Since self-employment ventures require start-up capital that the individuals do not typically have, Progressive Employment Concepts obtained grant funding (\$20,000) for loans through the Alta Regional Center, a foundation that supports agencies serving people with developmental disabilities. In addition to this funding, a private donor contributed another \$10,000 to get Lending Works going.

At the same time, PEC hired Judy Odipo, a consultant with extensive background in business development. A volunteer board of directors, made up of individuals with IDD and advised by Judy and other staff, was convened to meet regularly and review loan applications. Board members receive eight months of training to evaluate applications for loans. They use a series of prompts to keep track of meeting agenda items and each board member has a template to assist with their responsibilities.

Implementation:

People with disabilities who live in northern California are eligible to apply for loans from one of two funding streams available from Lending Works. Applicants must submit an application, a valid ID, a business plan, and two letters of reference from people who intend to support the individual in starting the business. Applicants who currently receive services from PEC may also receive help with their business plans, or access resources on the Lending Works website <http://www.lendingworksinc.com/>. Applications received by the first of the month are processed by the board of directors within three weeks. On the fourth week, the applicant is notified by letter or email about whether their application was accepted, deferred, or denied.

The board of directors meets weekly to review applications and to discuss administrative tasks, such as preparing presentations for fundraising events. All the funds raised for Lending Works go towards loans to start businesses, and the money is 100% managed by the board members.

Impact:

Lending Works has awarded six loans to date to support a variety of businesses including a coffee and snack vending stand, document shredding services, a jewelry business, lawn maintenance services, a salsa making business, costume and quilts business, and to an individual whose organization provides support services to kids with autism and their families. The board's timely responses to e-mailed questions from people interested in starting their own businesses have helped people write business plans, obtain the licenses they need, and open business checking accounts.

Suggestions for Replication:

- Use resources from local or regional organizations and foundations that support people with IDD.
- Access technical support and information from local small business associations about evaluating business plans and awarding loans.
- Consider bringing on a consultant with expertise in microenterprise as your organization builds capacity in this area.
- Have a board of directors composed largely of individuals with IDD. This ensures that loan applications are reviewed by people who understand the capacities of individuals with IDD, as well as the supports they need to be successful business owners.

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