



FIELD

at the Aspen Institute

Sustaining the Delivery of Business Development Services: Strategies and Practices for Mobilizing Resources

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September 2013



THE ASPEN INSTITUTE

*Microenterprise Fund for Innovation, Effectiveness,
Learning and Dissemination (FIELD)*

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Funded in part through a Cooperative Agreement with the U.S. Small Business Administration.
All opinions, conclusions, or recommendations expressed are those of the authors and do not
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Additional support is provided by the C.S. Mott Foundation.

The Issue

Although the current economic recovery continues at a relatively anemic pace, small business has played a significant role in the economy's resurgence. In *The Small Business Economy 2012*, the U.S. Small Business Administration's Office of Advocacy reported that "2011 represented the second full year of economic expansion since the peak of the recession in 2009, with small businesses representing half of the private-sector output."¹ Organizations that serve microenterprises, with both training and financing, have generally seen an ever-greater demand for their services as individuals seek to start, sustain or expand a small business. This is certainly true for business development services (BDS) organizations² that provide entrepreneurs with training, coaching and mentoring services: FIELD's trend data indicate that from 2010 to 2011 alone, BDS organizations responding to the U.S. Microenterprise Census reported an aggregate increase of 33 percent in the number of individuals served.³

Yet, amid the dynamic climate and increasing demand for services, the funding environment has not become less challenging. In fact, some private foundations have shifted priorities in the light of the recession, or scaled back giving as endowments have declined, and public budgets are threatened. Given that backdrop, how are mature business development organizations — those more than 10 years old — working to sustain their operations over time, and even to grow substantially? What strategies are they pursuing to mobilize resources and increase cost recovery? What are the skills and capacities required to pursue these strategies? Are organizations nimble enough to respond to the continually changing funding challenges?

The issue of sustainability is not a new concern for the industry, although its dimensions and the context in which organizations seek to achieve it have evolved. FIELD has tracked the performance of BDS organizations for many years, and has charted their financial status with respect to budget size and sources of revenue, through the U.S. Microenterprise Census. FIELD has also developed case study research on the strategies that large-scale organizations used to sustain their programs, and this year, added to this body of knowledge with a small-scale survey of 21 organizations and follow-up interviews with five organizational leaders.⁴ The survey and interviews were conducted between February and June 2013. This report summarizes the responses, and complements the results with findings from FIELD's larger body of research, to highlight current trends in the quest for sustainability.

¹ Small Business Administration Office of Advocacy, *Small Business Economy 2012*. February 2013. Accessed from [http://www.sba.gov/sites/default/files/files/Small_Business_Economy_2012\(2\).pdf](http://www.sba.gov/sites/default/files/files/Small_Business_Economy_2012(2).pdf)

² For ease of reference, all organizations that offer business development services as part of their portfolio will be called BDS organizations in this paper. However, it is important to keep in mind that a number of them would not be characterized as that by their leadership.

³ FIELD, *U.S. Microenterprise Census, 2010-2011*. Ninety-seven microenterprise development organizations providing business development services reported in both years.

⁴ FIELD wishes to thank the following interviewees for their contributions to this publication: Eloise Vitelli (Maine Centers for Women, Work and Community); Marsha Bailey (Women's Economic Ventures); Nancy Swift (Jefferson Economic Development Institute); Rose Marcotte (Washington CASH); and Kristen Mozia (Microenterprise Resources, Initiatives and Training).

Adapting to a Shifting Economic and Political Environment

If we asked executive directors and CEOs how they fared in the immediate aftermath of the financial crisis, many might have said that their funding sources had shifted, but the total funding available to their organizations did not decline dramatically. Although funding from private philanthropy and financial institutions declined, federal recovery dollars softened the blow to many programs, especially for those already receiving federal funds. Indeed, FIELD's analysis of trend data as of 2010 showed that reporting BDS organizations saw federal funding and, in some cases, earned revenue grow, compensating for reductions in private, and state and local government support after 2008. In fact, the 61 BDS organizations for which trend data was available reported that private philanthropic dollars covered only 19.3 percent of their budgets in 2008, compared to 27.6 percent in 2010. During the same period, federal support grew from 30 to 39.2 percent of operating budgets, and aggregate funding increased by \$4.4 million. Earned revenues also increased, from 17 percent in 2008 to 23.3 percent in 2010.⁵

Looking forward, however, recent budget fights and the subsequent sequester presage impending challenges to microenterprise operating budgets, given the relatively high exposure to federal and state funding. As Figure 1 illustrates, among all programs reporting data on their income sources to the U.S. Microenterprise Census (n=74) in 2011, federal dollars were the largest source of funding for program operations, at 29 percent.⁶ Data available for 38 BDS organizations that reported income source data for both 2010 and 2011 illustrate a continued trend of higher levels of federal support, increasing from a median of 40 percent in 2010 to 47 percent in 2011 (as a percentage of individual operating budgets). Given that the median program operating expenses for all BDS organizations reporting in 2011 were \$574,770, and the mean was \$1,121,212 (n=53), these figures also represent a significant amount in real dollars.

Figure 1:
Microenterprise Program Operating Income Sources

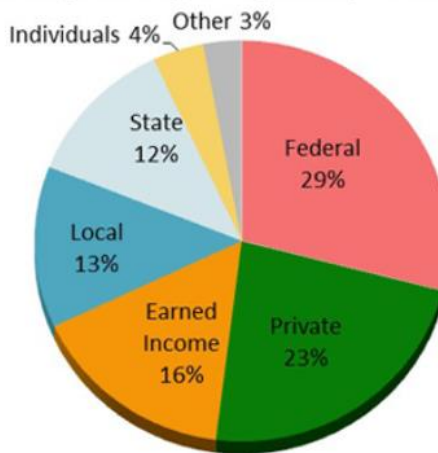


Figure above illustrates incomes sources for all microenterprise programs (both lenders and BDS providers) reported in 2011.

With sequestration and the fact that federal programs that fund business development services — such as the Small Business Administration Program for Investment in Micro Entrepreneurs (PRIME), the Women's Business Center Program, and the still pending Farm Bill — have been slated for cuts during

⁵ Elaine L. Edgcomb and William Girardo, *The State of Business Development Services* (Washington, D.C.: The Aspen Institute, May 2012).

⁶ FIELD, *2011 U.S. Microenterprise Census Highlights* (Washington, D.C.: The Aspen Institute, June 2013).

budget negotiations, many programs are vulnerable. Moreover, programs that also rely on state and local public funding have felt the trickle-down effect of fewer dollars available to those levels of government.

The microenterprise sector has experienced and weathered previous economic downturns — although none with the intensity and longevity of the Great Recession. On top of the weakness of the current recovery, the immensely polarized political environment adds another layer of complexity as BDS practitioners advocate for support at the state and federal levels for budget allocations to support microenterprise training. For instance, the Maine Centers for Women, Work and Community had been successful in advocating to keep an allocation to fund business development services in the state’s current budget (approximately half of the organization’s funding comes from the state), but the entire budget was subsequently vetoed by the governor. Although Maine’s legislature was able to override the budget veto and the organization ultimately received funding, this illustrates the current struggle to maintain a foothold of support. This experience mirrors that of other microenterprise practitioners, who reported in interviews that unlike in previous recessions, when they experienced a strong will and rationale to support small business on both sides of the aisle, the present political environment has broken this consensus and left future funding levels for many federal and state programs highly uncertain.

**Shrinking Federal Budgets Could Curtail BDS Services*
(Median figures)**

	Individuals Served	Operating Budget (Income)	Federal Budget Source (%)	Private Budget Source (%)	State/Local Budget Source (%)	Earned Revenue Budget Source (%)
2010	450	\$654,138	40%	23%	0%	7%
2011	545	\$632,302	47%	19%	0%	8%
n	35	38	38	38	38	38

*Data for all BDS organizations reporting income source data for both years.

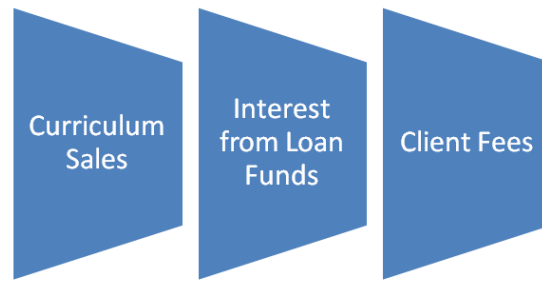
As the above trend data illustrate, BDS organizations continued to serve growing numbers of individuals, even as many experienced reduced revenues. At the same time, the percentage of federal dollars as a portion of total revenues grew substantially as the median percent for all other sources, except earned revenue declined. In sum, while many organizations continued to serve their target populations with fewer resources during the Great Recession, leaders are concerned that shrinking federal dollars could negatively impact services in the future.

How are BDS organizations working to navigate this reality? FIELD’s recent small-scale survey and interviews with several CEOs of leading BDS organizations suggest that they continue to pursue a two-pronged resource mobilization strategy: Generate earned revenue to the greatest extent possible, and complement that with strong fundraising. Within each of these components, most organizations have focused on the tried and true, although a few have implemented more unique approaches. These efforts are summarized below.

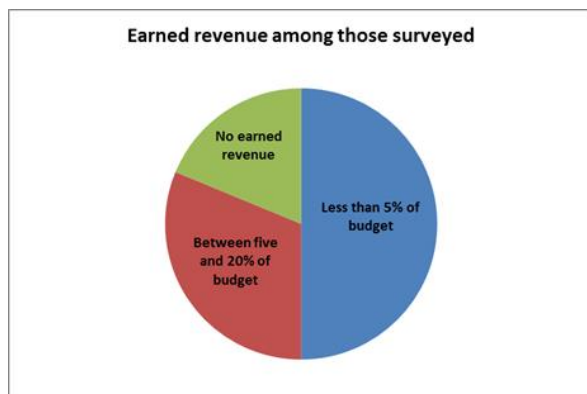
The Role of Earned Revenue

In an environment in which organizations are asked to do more with less, most report engaging in earned revenue-generation strategies. Slightly more than 80 percent of the BDS practitioners responding to FIELD’s recent survey noted having some earned revenue. Roughly half responded that earned income comprised less than 5 percent of their total operating budgets, and a third reported that it contributed between 5 and 20 percent of their budgets.

Top Sources of Earned Revenue



Those with higher rates of cost recovery echo the results reported by large-scale BDS providers in other FIELD research. Data from microTracker.org for 13 large-scale training organizations (organizations



whose primary services are business development and that served more than 223 clients in 2011) show comparable rates of cost recovery — with a median of 13 percent.⁷ These findings are similar to those from large-scale BDS organizations participating in the Scale Academy for Microenterprise Development, which had median and average cost recovery figures of 13 percent and 17 percent, respectively, in 2010.⁸

Respondents to FIELD’s practitioner survey stated that curriculum sales, interest generated from lending

programs and client fees were the main sources of earned revenue. Although earned revenue is not the largest revenue stream for most organizations, practitioners consider it a necessary component of their sustainability strategy for several reasons. Clearly, it covers part of an organization’s costs. Earned revenue also provides greater flexibility for managers, demonstrates an entrepreneurial orientation to funders, and is an important way of ensuring that clients have “skin in the game,” thereby ensuring that program services are being delivered to those with the greatest commitment. For many BDS organizations, the value of cost recovery needs to be balanced against inclusiveness (particularly to those with lower incomes). To that end, it is not uncommon for organizations to use a sliding scale or tiered pricing strategy, which diminishes their sustainability but is seen as necessary to achieve mission.

Box 1 lists some innovative approaches to earned revenue employed by large-scale BDS organizations. Some focus on monetizing intellectual property. Others employ a social enterprise approach. Many started small and grew over many years through careful and diligent efforts. As one CEO reflected on the organization’s varied approaches to earned revenue: “We continue to contemplate/plan for more

⁷ Data accessed from microTracker.org on 8/15/13.

⁸ Elaine L. Edgcomb and Tamra Thetford, *Focused on Growth: Scaling Business Development Services in the United States* (Washington D.C.: The Aspen Institute, August 2010), 39.

changes in the business model as funding streams change, shift, alter. The learning never stops.”⁹ For in-depth case studies on these high-performing organizations, see *The State of Business Development Services* (2012).

Box 1: Approaches to Earned Revenue

- ✦ **ACEnet:** With a specialization in food enterprises, ACEnet charges client fees for in-person and distance training. ACEnet also generates contract revenue for consulting services associated with its multiple brand strategies and experience in operating a kitchen incubator.
- ✦ **The Entrepreneur Fund:** In 1998, the Entrepreneur Fund developed the CORE FOUR business-planning course. The Fund trains and certifies other organizations to use the course, which has been adapted widely in the industry. It has also found additional markets for the curriculum in community colleges, technical colleges, chambers of commerce and others.
- ✦ **Wisconsin Women’s Business Initiative Corporation:** Among varied approaches to earned revenue, developed a social enterprise, Coffee with a Conscience™. The café generates a net profit, all of which is used to cover WWBIC’s operational expenses.
- ✦ **WESST:** In 2009, it opened a mixed-use business incubation facility in Albuquerque, which has become a hub for its services. Most recently, it added a digital media studio in the facility. In addition to supporting the creation of distance learning content for WESST clients, the organization expects to generate revenue by leasing the studio to advertising and marketing firms, game and application developers, and independent filmmakers.

These earned revenue streams are often integrated into programming and synergistic with fundraising. For example, the Jefferson Economic Development Institute (JEDI) has created a fee-based membership program, noting that this structure allows it to more easily market fees to its training clients. Further, WESST has noted that its new digital media studio (described in Box 1) has had a ripple effect on other revenue sources (fundraising and individual sources) because of the publicity it has provided the organization. All in all, earned revenue strategies are not stand-alone approaches, but rather work in tandem with other resource mobilization strategies.

To that end, BDS organizations emphasize the importance of developing strong fundraising capacity that can be applied to a variety of targets, both private and public, depending on the organization’s positioning within its market and its best estimate of where it can achieve the greatest success.

Building a Team: Fundraising Sources and Skills

The top sources of funding cited by respondents to FIELD’s recent survey of business development services organizations are not surprising: grants from private and public sources, individual donors, and corporate sponsorships. And the three primary skills cited as critical to sustaining program’s fundraising were: staff experience cultivating philanthropic and individual donors, proposal writing, and marketing and communications capacity.

⁹ *The State of Business Development Services*, 26.

What stands out in the CEO interviews is the marketing and communications capacity noted to run a solid development effort. That includes good brand development supported by materials with a professional, clear and inspiring message, and maintaining the brand and message consistently across communications channels (web, social media, print, events). Executives also communicated the importance of a certain sales sensibility, described as the “passion” relayed to donors combined with practical organizational skills that go along with “sales” management, such as maintaining donor lists and databases.

Because CEOs noted they would be hard pressed to find one person with every single attribute they believe to be essential, they voiced the importance of training and mentorship to develop the many functions required within their small fundraising teams. Although some larger BDS organizations have senior development staff, including at least one with decades of hands-on fundraising experience, many are more junior and new to the industry and development. So how is staffing for development managed, and what is the right configuration? The primary message from CEO interviews is that there is no “silver bullet.” Configuring a team depends on an organization’s previous experience, and hiring for a set of skills that will complement existing competencies.

In the wake of the recession, fundraising teams are for the most part quite lean, even in larger organizations. While a typical rule of thumb for fundraising staff is one FTE for every half-million dollars raised, even the larger organizations are stretching the limits of those rough benchmarks.¹⁰ Applying that rule-of-thumb calculation, the full-time-equivalent fundraising staff among the larger BDS organizations surveyed falls short by a median of 43 percent. The median and the mean development staff deployed in these efforts among all those surveyed with budgets of \$500,000 and above were 1 and 1.5 FTEs.

Even larger BDS organizations with sizable budgets do not have the luxury of a dedicated development director. Although investment in this type of capacity could potentially benefit some organizations, the reality for many is that fundraising responsibilities must be divided among several staff members. And it is important to recognize that although a dedicated director can ease the work for others in an organization, having one should not be seen as the complete solution to an organization’s fundraising challenges. Rick Moyers argues in the *Chronicle of Philanthropy* that development directors are not often the “rainmakers” that an organization would hope for. He reasons that even when a development director is hired, the executive director/CEO still maintains a critical role in fundraising: “The development director is only one factor in a complicated equation.”¹¹

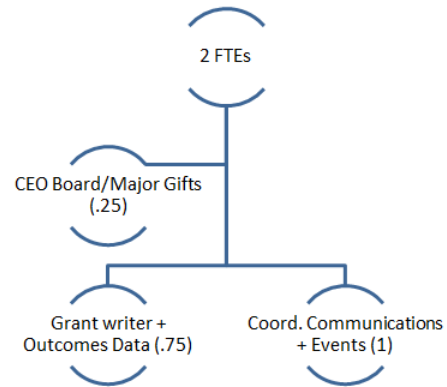


¹⁰ Nell Edgington, “Financing Not Fundraising: Find and Keep a Great Fundraiser,” SocialVelocity.net, Jan. 23, 2013. <http://www.socialvelocity.net/2013/01/financing-not-fundraising-find-and-keep-a-great-fundraiser/>

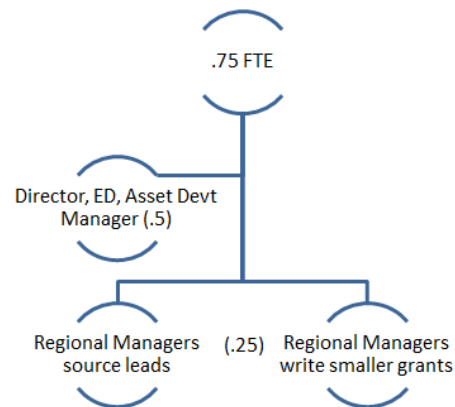
¹¹ Rick Moyers, “Development Directors are Not Miracle Workers,” *The Chronicle of Philanthropy*, Jan. 29, 2013. <http://philanthropy.com/blogs/against-the-grain/development-directors-are-not-miracle-workers/28361>

This sentiment rang true among several executives FIELD interviewed. Organizations bring together their own complex equations of skills and capacities needed to develop their fundraising teams.

With a \$1.3 million operating budget¹², **Women’s Economic Ventures (WEV)** of Santa Barbara, Calif., has a fundraising capacity of approximately two staff members. The organization has assembled a team that includes: a staffer who handles both grant writing and outcomes data tracking (.75 fundraising FTE), the founder and CEO who works with the board of directors and handles major gifts (.25 fundraising FTE), and a full-time development coordinator responsible for donor and broader communications, donor lists and databases, and event planning. This last position started as a more junior position, but the CEO has been able to mentor and train the staff member assuming a much greater and more central role in the organization’s fundraising infrastructure. The CEO noted that creativity, patience and organization have enabled this coordinator position to work for the organization. WEV has had a development director in the past, but found that it could not justify the continued expense given that the CEO had most of the established donor relationships.



The Maine Centers for Women, Work and Community (WWC) has worked hard to spread fundraising responsibilities — building relationships, generating in-kind donations and writing smaller grants — across several staff members. With an operating budget of \$623,374¹³ (FY 2012) for its microenterprise programming, the organization estimates it has fundraising staff capacity of about .75 FTE. That capacity includes a portion of the time of three individuals: the program director, a staff member who works in the asset development area, and the executive director. In addition, regional managers of the statewide program also assist in sourcing grant leads or writing smaller grants. The organization also recently hired a local development consultant who has been engaged long-term with the field, for some specific assistance on strengthening its individual donor base. All in all, the organization looks for “fundraising staff” who can tell a good story, both visually and verbally, to different audiences. As Eloise Vitelli, program director, expressed, “We make good use of the people here on staff. [The configuration] largely depends on the balance of the organization as a whole.”



¹² Data taken from microTracker.org for FY 2012 as of Sept. 18, 2013.

¹³ Data taken from microTracker.org for FY 2012 as of Sept. 18, 2013.

Making a Strong Case for Training: Weaving Both Data and Anecdote Effectively

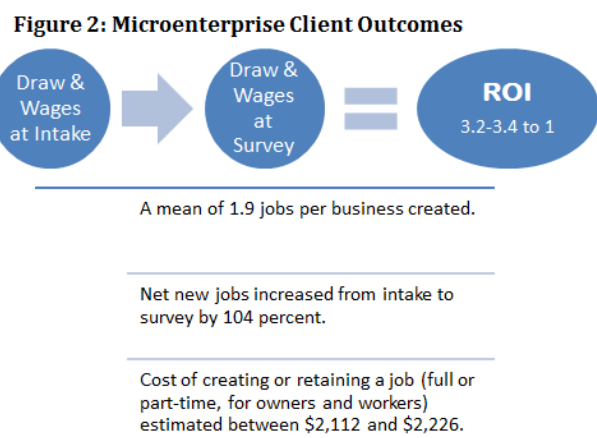
Microenterprise leaders interviewed for this research indicated that budget circumstances have led them to cut staffing, so their current operations are quite lean. Even so, these reductions are not enough to ensure organizational survival. With greater competition for shrinking funds, tough questions are being asked around the efficacy of training services. Therefore, illustrating the return on investment of business development services is critical in building the case for support.

As Figure 2 indicates, microTracker data illustrate that the return on investment in microenterprise development is positive: An analysis of FY 2011 cost and outcomes data provided by 22 microenterprise programs revealed that the initial return on investment in these programs, in terms of earnings paid to workers and owners, was between 3.2 and 3.4 to 1.¹⁴ Microenterprises create jobs, and a sustained relationship with a microenterprise development program can support a business' job creation capacity.

Many mature BDS programs have invested in building the systems necessary to collect data to demonstrate their outcomes. Key metrics such as business start rates, business growth and survival rates, as well as the number of jobs created, allow organizations to complement individual human-interest stories that express their work. Building adequate systems (i.e., ensuring that the key metrics are being collected at intake, and that that data can easily be mined) and having a staff person charged with upkeep and analysis does take both initial and ongoing investment, but they are required to create an effective data collection infrastructure.

Women's Economic Ventures illustrates its commitment to a thorough data collection capacity in its assignment of a portion of a resource development staff member's time to managing the data collection process. Similarly, JEDI has invested in collecting metrics above and beyond what its donors are currently requesting, in order to show its overall community impact. The organization is currently conducting research into questions such as the types of businesses that are creating jobs, and how long those jobs last. Although these organizations recognize that data on client outcomes is integral to

"Developing a specific fundraising initiative that clearly delineates benefits and success metrics to board, staff and potential donors. This initiative generates a focus that enables board/staff to target key potential donors and provide clear metrics as to the initiative's success." - WESST



¹⁴ Elaine L. Edgcomb and Tamra Thetford, *Microenterprise Development as Job Creation* (Washington, D.C.: The Aspen Institute, February 2013), 14.

building a strong case of support for their work, they also understand that compiling data imposes costs to the organization. The Maine Centers for Women, Work and Community now engages early on in its conversations with funders about the need to include funds for data collection as part of their financial support for the organization. The program’s director argues that especially in places where the recovery has lagged and organizations have already downsized and are delivering services in a very lean fashion, data collection capacity needs to be an add-on to core support. In her view, funders are responding to the message, but slowly — underscoring the need to repeat and reinforce the message consistently.

Building a Case for Core Program Support

Demonstrating program effectiveness is only one part of the challenge. In addition, BDS organizations regularly confront how to balance the desire of donors to link to a new program or emerging theme (that may only be funded for one or two years) with the need to fund core programs that are working. While some programs may try to mitigate pressures to stray from core services by focusing on donors that have fewer restrictions on the uses of funds (i.e., individual donors with few strings attached), it is a pressure with which most organizations struggle.

“Innovating Around Core Programs”



The Maine Centers for Women, Work and Community (MCWWC) has found that it takes time and many conversations to help donors understand the organization’s core work and how it “innovates around the core.” Two examples illustrate how this connection can be made. In the past, the MCWWC demonstrated how IDA programming (the innovative work) emerged out of its financial education services (the core). More recently, the organization launched its “rainy-day savings account” for specific, emergency-related expenses. Because this program has obvious synergies

with its core financial education work and its experience running its traditional IDA program, the MCWWC successfully incorporated its existing financial education programming into the funding for its new initiatives, on the grounds that the programming supports the distribution and implementation of the new product.



The organization also seeks funding for “tool-building around core work.” As an example, the MCWWC established a donor-matched mini-grant pool to support marketing collateral materials (i.e., website, print collateral and signage) for entrepreneurs, in order to assist them to both increase access to markets and to help professionalize businesses. The budgets for the program also supported the staff time to counsel clients on the most effective use of those tools.

That pressure relates not only to the program but also to the target market. Organizations may feel pushed from their core markets in pursuit of dollars for other segments of the business population (i.e., focusing on existing businesses rather than pre-venture/startups). Although some institutions may consider broadening to new segments in alignment with their own strategic interests in expanding their markets, others might be concerned that it could dilute their program’s intended impact. The Maine Centers for Women, Work and Community has tried to mitigate pressures in this area by educating funders on the “ecosystem of business development services” in its state and how the organizations work together to support businesses at different stages, all integral to business start and survival.

Finally, advocating to funders about the benefits of less restrictive funding (i.e. investment in capacity, ability to respond to changing circumstances, flexibility to carry out its mission), even though challenging, may shift the local funder tide to support for general operating expenses on top of core program support. A recent study of American grant makers conducted by the National Committee for Responsive Philanthropy (NCRP) found that the share of grant dollars going to core operating support increased by 50 percent in 2011 — from 16 to 24 percent in a two-year period.¹⁵ There appears to be, at least some movement in this direction within the national funder landscape.

Diversifying Funding Streams

Given the coming reductions in traditional federal microenterprise funding, and continuing constraints in the philanthropic community, microenterprise development organizations face the challenge of finding new sources of funding to sustain and grow their programs.

Several of the CEOs interviewed noted that some private foundations in their local communities have responded to diminishing public resources by focusing their giving on poverty and safety net issues. This may or may not present opportunities for business development services programs, depending on the economic demographics of their client bases. For example, WWC serves many rural communities statewide, and as such, 60 percent of its client base fits HUD low-income guidelines. To capitalize on this new or growing interest in poverty-focused services, MDOs need to make the case that microenterprise program services effectively address both the funders’ target market and their poverty/safety net concerns.

On the other hand, Women’s Economic Ventures (WEV), a training-led microenterprise organization in Santa Barbara, Calif., is adapting to a real and anticipated downsizing of the federal programs that have traditionally supported its work with low- and moderate-income individuals by building a strong funding block comprised of local CDBG (Community Development Block Grant) dollars from local counties and municipalities. Although the CDBG program is administered by the U.S. Department of Housing and Urban Development (HUD) and has undergone its own cuts, this substantial economic development program leaves cities and counties a great deal of flexibility in how the money is spent, especially if located in designated entitlement areas. CDBG investments in microenterprise go toward commercial revitalization initiatives, including direct assistance to businesses in the form of technical assistance and

¹⁵ Niki Jagpal and Kevin Laskowski, “Three Ways to Boost Core Support”. *Stanford Social Innovation Review*, July 30, 2013.

training and loan fund capital, but can also be used to cover microenterprise program operating expenses.¹⁶

In anticipation of funding cuts and in reaction to a weaker overall economy, WEV has also been more aggressively cultivating additional corporate and corporate foundation support. While the banking sector has been tumultuous in recent years, with mergers in some cases diminishing once-strong private funding streams, other new bank players have emerged and begun investing with the worst of the downturn behind them. WEV has been successful in replacing funders that merged or curtailed their giving with newer banking partners that have more recently begun operating and making CRA investments in the organization's service area. The point here is that although the strategy was reactive to a more challenging funding environment, WEV was deliberate in putting more "irons in the fire" as it has sought, over the past several years, to mitigate the effects of the downturn.

Other organizations have sought to expand the funding spectrum by working hard to cultivate individual donors, including those who are current or former clients. WESST ran a "Pay It Forward" campaign that generated funding through a well-messaged marketing program, including video testimonials, emphasizing the importance of successful clients helping others along the path.

As an organization seeks to diversify funding support, it must recognize and develop the capacities necessary to be successful. Each requires a careful understanding of funder perspectives, appropriate development strategy and messaging/communications requirements. Thus, although diversification seems an obvious decision, the appropriate targets and strategies for achieving diversification will depend on careful analysis and adequate resources.

Conclusion

Sustaining business development services involves managing the function of resource development creatively, and with consistency and steadiness. Consistency in building the evidence base with data enmeshed with storytelling, having the wherewithal to advocate for small business support at the local level, and pushing one's creative juices to tap new or underutilized funding streams are all required. Clearly, there is no silver bullet, but this publication hopes to share how organizations are adapting to shifting conditions and inventively uncovering (or creating) new opportunities. Clearly, the quest for sustainability among BDS organizations is far from over. But, the evidence suggests that many have positioned themselves to manage with the changes that continue to come.

For more information, see other FIELD resources on this topic:

Building Sustainability by Increasing Earned Revenue (2008)

Case studies in appendix of *The State of Business Development Services* (2012)

Focused on Growth: Scaling Business Development Services in the United States (2010)

¹⁶ For a more in-depth discussion of the use of CDBG funds for microenterprise purposes see the FIELD publication "Microenterprise Development as Job Creation." Note that cuts to this funding stream have the potential to affect *non-entitlement* areas where CDBG dollars go through a more complex allocation process. This has been the case with the Jefferson Economic Development Institute (JEDI), located in rural northern California.