MEMORANDUM

TO: TOM FREEDMAN, MARY SMITH

FROM: DREW HANSEN

RE: SBA ASSISTANCE FOR MINORITY-OWNED BUSINESSES

DATE: AUGUST 20, 1997

The SBA has several programs that assist minority-owned businesses, several of which are operated out of the Office of Minority Enterprise Development, which exists to enable socially and economically disadvantaged businesspeople to develop small businesses.

- **8(a) Program.** This program offers business development services to minority-owned businesses, primarily including the subcontracting of federal contracts on a sole-source or limited opportunity basis. The Office of Minority Enterprise Development administers this program, which is named after section 8(a) of the Small Business Act.

- **7(j) Program.** This program, which is operated out of the Office of Minority Enterprise Development's Division of Management and Technical Assistance, provides management and technical aid to firms who qualify for 8(a), who are operating in low-income or high-unemployment areas, or to individuals who are socially or economically disadvantaged or of low-income. The program provides help with accounting, feasibility studies, marketing analysis, loan packaging, proposal and bid preparation, management training, and technical services.

- **Specialized Small Business Investment Companies (SSBIC's).** These are privately owned and operated venture capital firms whose private capital is supplemented by debt or preferred equity which is provided through open market financing guaranteed by SBA. They provide equity capital and long-term loans to socially and economically disadvantaged businesses. There are 94 SSBIC's operating in 21 states and SSBIC's in the District of Columbia and Puerto Rico.

- **Minority Prequalification Loan Program.** This program is a public-private partnership that uses local, private-sector nonprofit and for-profit companies as intermediaries to provide SBA-guaranteed loans to minority-owned small businesses. Borrowers work with intermediaries to create a loan application, which is submitted to SBA for consideration for prequalification. If the loan application is approved, then the intermediary works with the small business to secure a lender for an SBA-guaranteed loan. Qualifying small businesses have received 269 loans since the program's inception in April, 1995. Loans have totaled $26 million, with the typical loan averaging $98,840.

- **Office of Small and Disadvantaged Business Utilization (OSDBU).** This office offers information on procurement opportunities, guidance on procurement procedures, and identification of prime and subcontracting opportunities for both small and disadvantaged businesses.

- **Small Business Development Center.** These centers, which are operated as partnerships between the federal government, state and local governments, and the private sector, provide "one-stop" business development assistance to small businesses, including counseling, training, management, and technical assistance. About 500,000 businesses use these centers each year. They have traditionally provided an opportunity for minority-owned firms to "jump start" their businesses.

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FROM: DREW HANSEN

RE: CONSUMER'S HANDBOOK ON CHILD CARE

DATE: AUGUST 20, 1997

GENERAL CONSIDERATIONS FOR THE HANDBOOK

The current handbook proposal seems to contain most of the relevant information for consumers who are choosing child care. The main problems with it is that it is organized poorly and that it places too much emphasis on the other sources of information (besides the handbook) that the consumer can access for additional information.

- **Ease of use.** Currently, the handbook is set up more like a quasi-academic compendium of child care information than an easy-to-use consumer guide. The handbook should be organized around the central question "How do I find quality child care for my child?," and should take the reader through a simple, step-by-step process of questions and answers (see proposed outline below). The language should be pitched at around a 5th-grade reading level. Also, the format of the handbook should contain considerable "white space" and graphics, something like the popular "______ for Dummies" series of books ("Windows for Dummies," "Wine for Dummies," etc.).

- **One-stop information.** The current handbook has too much information on the "Other sources of information and assistance." We do not want the users of this handbook to have to search through the other available child care information organizations to find the answers that they need. Instead, we should provide as much information as possible in the handbook. Of course, we will need to provide information about other resources, but that information should be in an appendix or as the last chapter, instead of as the first piece of substantive information in the handbook as it is now (tentatively beginning on page 2). Also, even though finding information from these other agencies is almost always easier on the Internet, we should de-emphasize Internet resources as much as possible, as most Americans either do not have access to the Internet or do not know how to use it.

PROPOSED ALTERNATIVE OUTLINE FOR THE HANDBOOK

I. "How do I find quality child care for my child?"

The point of this section is to introduce the consumer to the issues involved in choosing a child care provider. This section would provide an introduction to the handbook, telling the reader that he or she can find an easy, step-by-step procedure for finding quality child care simply by working through the rest of the handbook. This section would also contain general information about child care, such as information about what kind of care is appropriate for certain ages (currently on p. 13) and about what kind of care is appropriate for special-needs children (currently on p. 14).

Example:

"Finding a child care provider can be difficult. But it can also be rewarding. This handbook will give you an easy, step-by-step guide that will help you to find high-quality child care for your child. We'll start by looking at some of the general issues that you should think about when you are considering child care.

'What kind of care is appropriate for my child?'

Different children need different kinds of care. For some children . . . (etc.)"

II. "What kind of child care do I need?"

This section would contain brief definitions of the principal types of child care providers outlined in the handbook (relative, au pair, child care center). It would then provide consumers with some process for deciding what kind of child care they need, either through a question-and-answer self-test or through a list of the advantages and disadvantages of the various types of child care.

Example:

"These questions will help you to decide if you want to select an ***au pair.***

1. *Do you feel comfortable allowing someone into your home to care for your children?*
2. *Are you able to afford $____ to $____ per week for child care? . . . (etc.)"*

Example:

"AU PAIR (a 'nanny'):

Advantages:

- *Personal care for your child alone.*
- *Consistent child care arrangement.*

Disadvantages:

- *Your child will not be able to play with other children . . . (etc.)"*

III. "How can I find a good _______? (au pair, relative, child care center, with subsections for each)"

This section would include a process and set of checklists for parents looking for each type of child care. They would be organized as 1.) How do I find a ___ in my area?, and 2.) How do I know that ___ will provide good child care?. The first section would include lists of phone numbers or a reference to a list of child care providers elsewhere in the guide. The second would include a set of "worksheets" that parents could bring with them to various child care providers (similar to the "Tips for Child Safety" on p. 6 of the current report).

Example:

"'How do I know my child will be safe?'

Is the fire extinguisher easy to find?	___ *Yes*	___ *No*
Are the electrical outlets covered with protective caps?	___ *Yes*	___ *No (etc.)"*

IV. "What if I have questions that this handbook does not answer?"

This section would include the "other information," organized around topic or question ("How do I know that the child care staff do not have criminal records?") as well as by agency.