



CHICAGO

MICROLENDING INSTITUTE UPDATE:

FOUR YEARS OF PROGRESS



CITY OF CHICAGO • MAYOR RAHM EMANUEL



OVERVIEW

Mayor Emanuel believes that when small businesses have the resources and support of the City to succeed, our economy can grow and thrive. This includes the ability for a business to access capital outside the scope of traditional lenders, be it extra operating funds to move from the home office to a neighborhood storefront, financing for new equipment to expand into new products, or support for a few more employees to take a business to the next level.

In 2012, the Mayor Emanuel launched the Chicago Microlending Institute (CMI) to assist businesses that that would otherwise have difficulty accessing capital through mainstream lenders connect with loans of up to \$25,000. CMI is a first-in-the-nation initiative that tripled the number of microlenders in the City. Through partnership with the City Treasurer, the program supports a revolving loan fund of \$2 million.

Since its establishment, the program has approved 255 loans, which have successfully offered businesses \$2.6 million in financing to help create or preserve over 1,000 jobs. The following report outlines the program's successes in the first four years, supporting small businesses throughout Chicago and filling an unmet need in the City's financial landscape. These accomplishments underscore the Mayor's commitment, in partnership with the Department of Business Affairs and Consumer Protection, to supporting a dynamic environment for small businesses to succeed across Chicago. ■

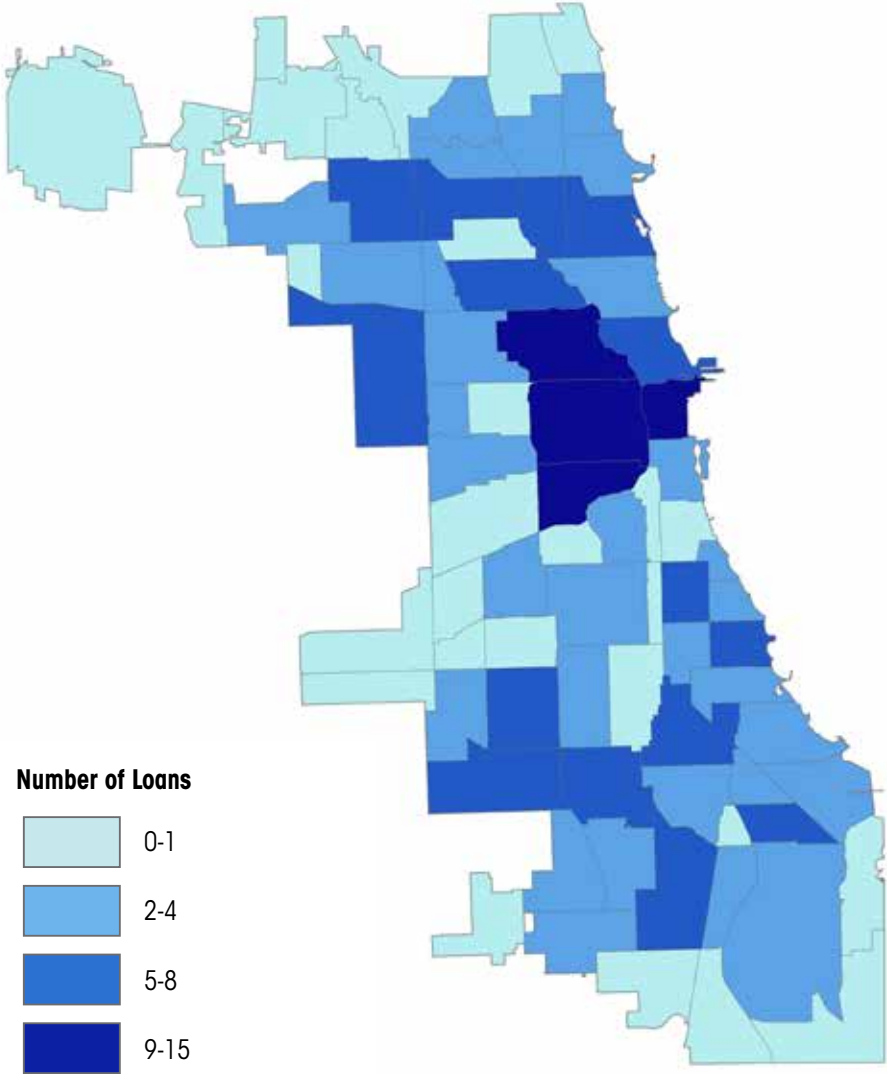
CMI QUICK FACTS



- Loans approved and pending: 255
- Jobs created or retained: 1,008
- Average interest rate: 13.4%
- Average loan size: \$10,000
- Average loan term: 24 months



NEIGHBORHOOD & INDUSTRY IMPACT



NEIGHBORHOOD & INDUSTRY IMPACT



The Chicago Microlending Institute (CMI) has supported businesses located in nearly every ward throughout the city. The program has especially benefitted traditionally underserved communities and populations. Over 90% of CMI loans have been received by women or minority business borrowers.

A recent study by the Woodstock Institute has shown that lower income communities see below average lending from banks compared to moderate and upper income communities with a similar level of business activity. Over the past four years, CMI's mission-driven lenders have directed over 60% of their loans to these communities. Nearly 70% of loans have gone to business on the city's South and West sides overall.

CMI has supported businesses across a wide array of industries. From transportation and professional services to retail and manufacturing, the businesses that have received support from CMI reflect the industry diversity of the city as a whole. Strong segments for CMI businesses include services, retail and food/beverage businesses. ■



CITY REGION	LOANS	AMOUNT LEANT	JOBS CREATED	JOBS RETAINED
Central	25	\$273,724	46.5	58
Far North Side	19	\$209,090	35.5	42.5
Far Southeast Side	31	\$364,091	63.5	57.5
Far Southwest Side	20	\$225,450	36.5	33.5
North Side	24	\$197,416	36	104.5
Northwest Side	21	\$181,508	27	62
South Side	36	\$352,400	66	76.5
Southwest Side	19	\$168,135	29	28
West Side	56	\$570,121	79	120
Total*	255	\$2,580,448	424	584.5

*Note: Regions do not sum to total due to exclusion of loans for businesses without a physical presence.

LENDERS

A key facet of the Chicago Microlending Institute's (CMI) launch in 2012 was its support of new lenders within the City. The Mayor partnered with Citibank to provide training for lenders participating in the program and the City Treasurer to increase the loan fund to the current \$2 million available.

Over the past four years, these lenders have approved 255 loans totaling \$2.6 million.

- *Women's Business Development Center issued 38 loans totaling \$523,746*
- *Chicago Neighborhood Initiatives issued 58 loans totaling \$787,585*
- *Accion issued 159 loans totaling \$1,269,117*

In addition to supporting a new product offering on behalf of the lenders, CMI has also helped strengthen overall capacity at these organizations. Since joining the program, CMI lender Chicago Neighborhood Initiatives has been designated as a Community Development Financial Institution (CDFI) by the US Treasury and also became a Small Business Administration (SBA) Microlender. ■



INDUSTRY	NUMBER OF LOANS	SHARE OF LOANS
Construction	21	8%
Education	4	2%
Entertainment	3	1%
Food/Beverage	33	13%
Manufacturing	14	6%
Other	12	5%
Professional	33	13%
Retail	42	17%
Services	68	27%
Transportation	17	7%
Wholesale	4	2%
Total*	255	100%

***Note:** Regions do not sum to total due to exclusion of loans for businesses without a physical presence. Learn more about CMI loans and recipients on the City's Data Portal.

SUCCESS STORIES



LAINÉ'S BAKE SHOP

OWNER: RACHEL BERNIER-GREEN

LOCATION: BEVERLY

Laine's Bake Shop is a family run business selling retail baked goods and a supplier of large grocery stores and retail partners like Whole Foods Market. Owner Rachel Bernier-Green was selling at a Bronzeville pop-up event when she was connected with entrepreneurial coaching services through a partnership between the City of Chicago Neighborhood Business Development Centers and Whole Foods. After completing her coaching sessions she was accepted into the Whole Foods Market vendor program and has received contracts to supply multiple Whole Foods stores. Laine's worked with Accion to find financing that could support her rapid expansion. In addition to closing on her first loan, a microloan supported by CMI, Rachel was accepted into the Good Food Business Accelerator at 1871. She is opening a storefront to support her retail sales and prepare her wholesale orders in Spring 2016. ■



DLV PRINTING

OWNER: VERNITA JOHNSON

LOCATION: AUSTIN

DLV Printing is a family owned and operated silk-screen, embroidery and printing business located in Austin. DLV worked with Accion in 2013 to secure a loan for an embroidery machine expand the business. As the business continued to expand, DLV was able to partner with a City of Chicago Small Business Opportunity Center to access other traditional business loan products and participate in the City's Small Business Improvement Fund (SBIF) program in part because of the boost they received from their microloan. Since receiving the loan, DLV has expanded from a 1,200 square foot storefront to a new 6,000 square foot office and manufacturing space. Owner Vernita Johnson is deeply involved in the Austin community, including supporting scholarships for nearby high school students. ■

SUCCESS STORIES



GOURMET GORILLA

OWNER: DANIELLE HRZIE

& JASON WEEDON

LOCATION: PILSEN

Gourmet Gorilla is a local organic food service company that provides healthy food to schools, corporations, and non-profits. Launched 7 years ago with 4 employees, the business now employs 100. In addition to self- and family-financing, Gourmet Gorilla received a microloan from Accion to support the expanding business. Since receiving the microloan, Gourmet Gorilla has participated in the Goldman Sachs 10,000 Small Business program and has secured other traditional small business loan products. The business is currently is constructing a 20,000 square foot LEED Certified facility in Pilsen for completion in 2016. ■



STITCH ME

OWNER: BRENDA NELSON

LOCATION: PILSEN

Stitch Me is a custom-made apparel business that creates uniforms and team apparel for local schools. After being turned down for a traditional loan from her bank, owner Brenda Nelson heard about the City's microloan program at business expo and worked with the Women's Business Development Center to process a loan for new equipment and expanded inventory. Stitch Me has also worked with the department of Business Affairs and Consumer Protection Solution Station to refine her business plan, and since receiving the loan has become a certified WBE and MBE, which has opened up contracts with new clients. ■

SUCCESS STORIES



POWER OF 3, INC.

OWNER: ANNIE DUGGAN,
MARY DUGGAN, & CLARE DUGGAN
LOCATION: BEVERLY

The Power of 3, Inc. is a manufacturer and distributor of environmentally friendly personal care products. Launched by three sisters that specialize in lymphatic wellness, The Power of 3 was unable to obtain financing at their community bank. The business worked with Chicago Neighborhood Initiatives' Micro Finance Group to obtain a loan for production automation equipment and expand their business. Their products now sell in over 100 stores throughout the Midwest. ■



PULLMAN CAFÉ

OWNER: IAN LANTZ
LOCATION: PULLMAN

Pullman Café is a new community gathering space situated in the historic Pullman neighborhood on the city's South Side. After acquiring a mixed-use building in 2013, owner Ian Lantz worked with Chicago Neighborhood Initiatives (CNI) to secure a loan in order to purchase inventory, supplies and other equipment to stock the business. Lantz, a local muralist, opened the family run café in October 2015 and plans to host art exhibits, acoustic concerts, and other performances. Pullman Café includes locally grown Gotham Greens in its salads and sandwiches, a business launched in the urban farm on top of the nearby Method soap factory. ■

SUCCESS STORIES



MAJANI INC.

OWNER: CHEF TSADAKEEYA

LOCATION: ENGLEWOOD

Majani Inc. has been providing healthy food options for corporations and events in the city for over 25 years. Despite his creditworthiness, Chef Tsadakeeya was unable to find financing from a traditional bank. Chatham Business Association assisted Chef Tsadakeeya in completing a loan application with Chicago Neighborhood Initiatives. With this loan, Majani has been able to purchase new equipment and pay for leasehold improvements. He'll be moving from a shared kitchen to his own store front in May of 2016. In addition to his business, Chef Tsadakeeya supports his neighborhood community gardens and participated in the inaugural Englewood 5k. ■



LENORE'S KITCHEN CATERING

OWNER: LILLIA KEY

LOCATION: WEST PULLMAN

Lenore's Kitchen Catering Lenore's Kitchen Catering has been deeply rooted in the community for over nearly 25 years. Owner Lillia Key learned to entertain from her grandmother, mother, and great-aunts, and was trained technically at Dawson Technical Institute. Lenore's has built a loyal customer base over the years, supporting 4 full-time and 25 on call staff for larger events. Lillia worked with Accion to secure a loan for needed equipment upgrades. Through her partnership with Accion, she was also able to receive personalized business coaching and peer exposure through their Brewing the American Dream program. In 2015, Lillia moved to The Universal Entertainment Center, one of the largest venues on the South Side. ■



Learn more about how to apply for a microloan now:
CityofChicago.org/SBC