



Friends of the SBA

MICROLOAN PROGRAM

THE SBA MICROLOAN PROGRAM

March 30, 2017





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MICROLOAN PROGRAM

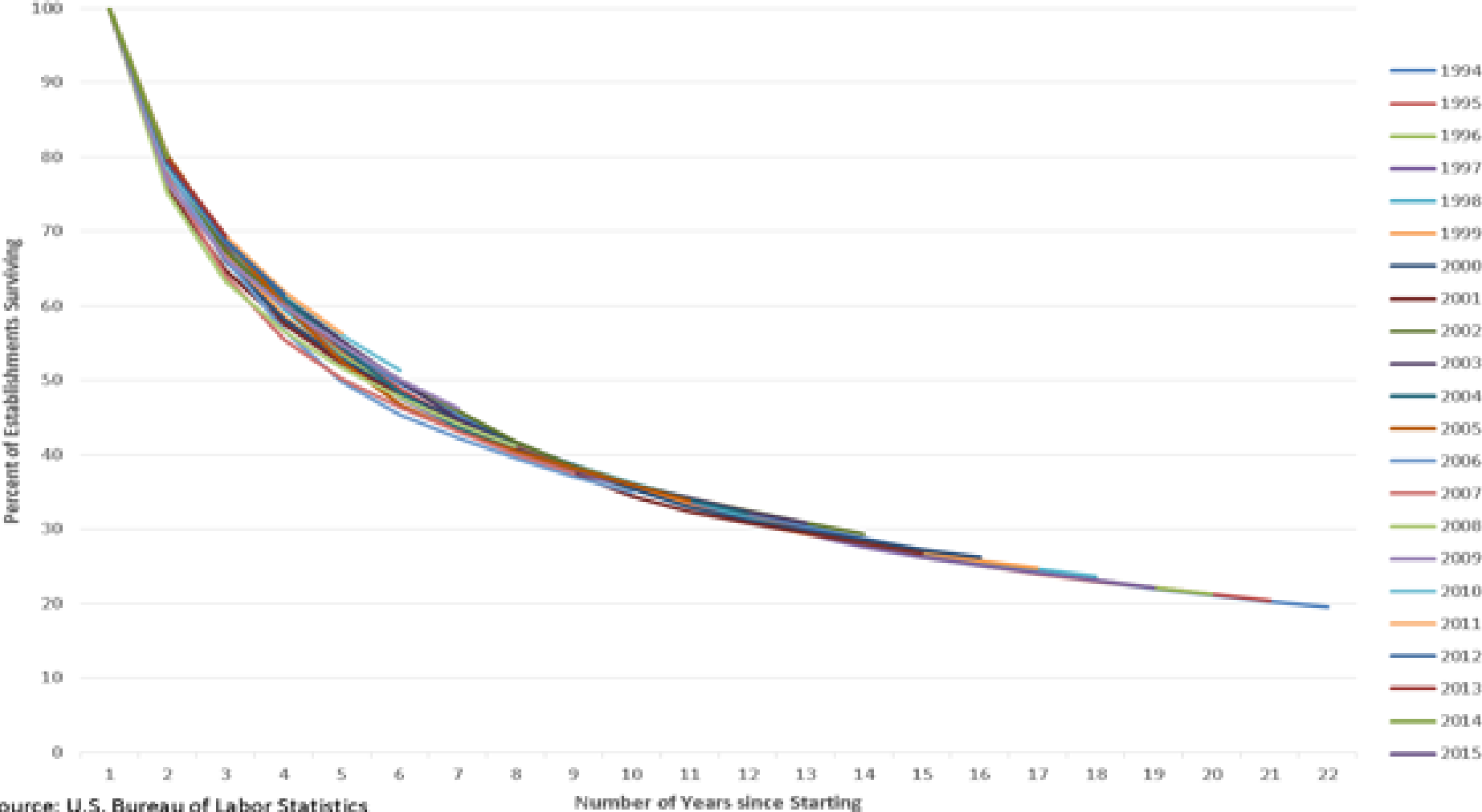
1991 
Pilot Authorized

Made permanent
in 1997



The SBA defines a “small business” as one with less than 500 employees, however, at least 80 percent of all businesses nationwide employ 10 or less employees.

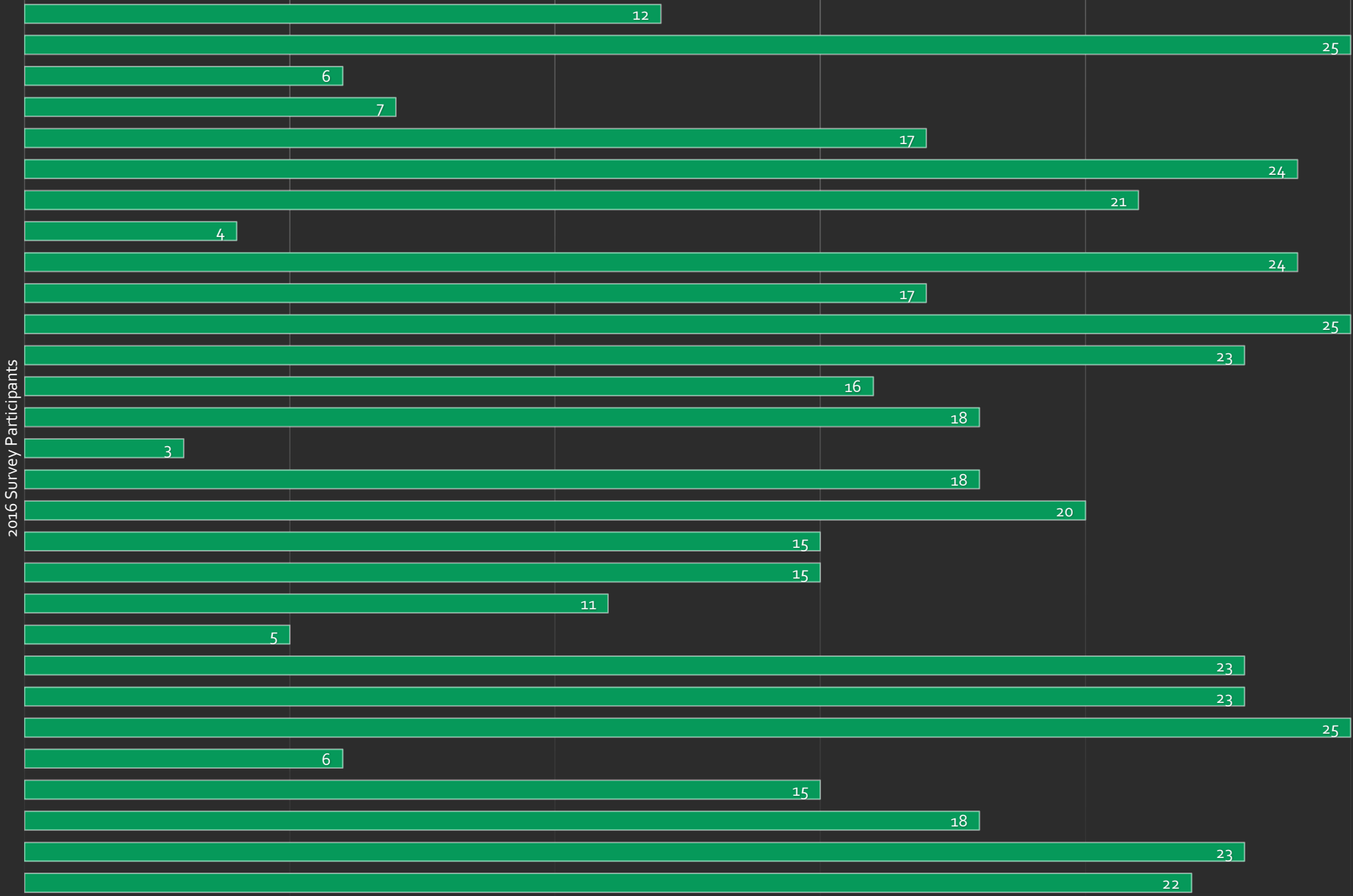
Chart 3. Survival rates of establishments, by year started and number of years since starting, 1994-2015



Source: U.S. Bureau of Labor Statistics

Years as an SBA Microlender

Data from Survey Respondents



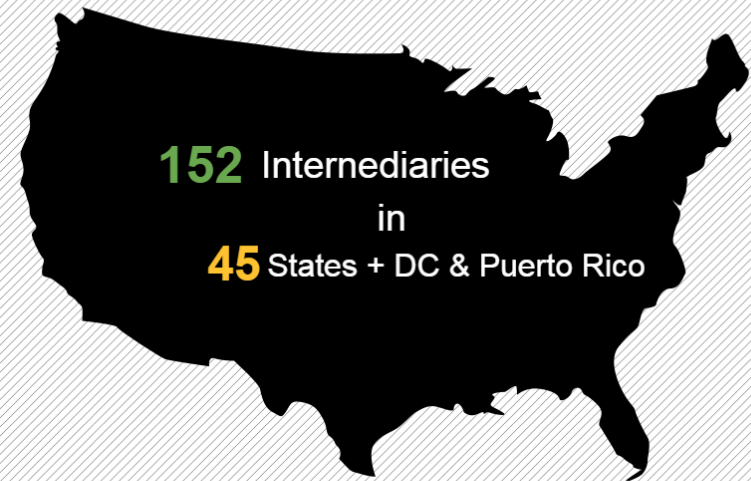
0 5 10 15 20 25

\$13,000

Average Microloan size

\$50,000

Maximum Loan Size



**44% Minority
Entrepreneurs**

**44% Women
Entrepreneurs**

**37% Business
Startups**

15%

Non-federal match for loan funds

25%

Non-federal match for
grant funds

#1

Since the beginning



\$722 million in microloans
to small businesses



212,000 jobs have been
maintained and created

#2

2016 Survey

30 SBA Microlenders

Calendar Year 2015:

984 new loans

Totaling

\$11,855,099

Resulting in

7,700 jobs

Pre-Loan Technical Assistance



#3

#4



Post-Loan Technical Assistance



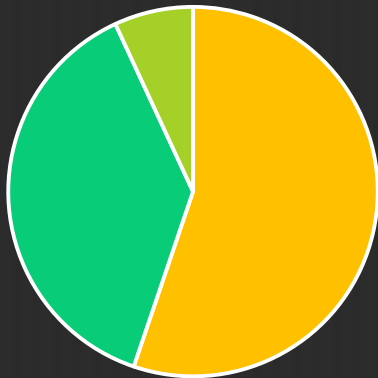
#5

LOSS RATE AND DEMAND

Intermediaries cumulative loss rate: 7.9%

SBA cumulative loss rate: 2.36%

Loan Loss Rate on SBA
Portfolio



- The loss rate has gone down
- The loss rate has remained steady
- The loss rate has gone up



Most intermediaries reported demand has risen, and 40% said it remained steady.



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ENTREPRENEUR FUND

Shawn Wellnitz

SBA Microloan Program



ENTREPRENEUR FUND



ENTREPRENEUR FUND

MISSION

Actively partner with entrepreneurs to stimulate the growth of successful businesses.

VISION

Vibrant communities across the region are created and sustained by entrepreneurs.



FINANCING & SERVICES

GROW & SCALE YOUR BUSINESS



BE STRATEGIC: GROW YOUR BUSINESS

Improve Performance & Grow Revenues by 25%

- Build a Strategic Business Plan
- Improve Skills Critical to Growth
- Network with Like-Minded Peers
- Shift to the Growth Mindset

ENTREPRENEUR OPERATING SYSTEM (EOS®)

A Simple System for Ongoing Strategy & Execution

- Practical Tools and Proven Methods to:
- Gain Traction
 - Clarify Vision
 - Create Healthy Leaders and Teams

ENHANCE BUSINESS OPERATIONS



FINANCIAL

Improve Cash Flow & Profitability

- Financial Analysis and Review
- Financial Projections
- Financial Management Systems

HUMAN RESOURCES

Build Team & Staff Performance

- Employee Issues
- Performance Development
- HR Systems and Tools

MARKETING

Grow Awareness & Sales

- Marketing Audit
- Marketing Plan
- Social Media and Web Consulting

SMALL BUSINESS FINANCING



SBA 7A FINANCING

- Up to \$500k
- Terms up to 25 Years
- Uses Include Equipment, Inventory, Working Capital, Real Estate and Business Purchases

SMALL BUSINESS FINANCING

- Up to \$250k
- Terms up to 10 Years
- Use for any Business Needs, Including Gap Financing

SBA MICROLOANS

- Up to \$50k
- Terms up to 7 Years
- Ideal for Startups



2016 IMPACT

CLIENTS SERVED



979 Clients Served



566 Business Owners
Accessed Consulting Services



127 Loans Closed to Start,
Stabilize or Grow Small Businesses

LOAN TYPES



Microloans (\$50k or less)

\$961,652 = 65 loans

SMALL BUSINESSES FINANCING

Exceeded our financing goals,
closing over

\$5.5 Million

in loans and financing to regional business owners.

IMPACT



19.37%
Revenue Growth



Added full-time
equivalent jobs at a
rate of **11.4%**



THIRSTY PAGAN BREWING



- 2 loans:
 - Purchase
 - Seating Expansion
- Services
- Outcome



LOCALLY LAID EGG COMPANY



- 2 loans:
 - Working Capital
 - Equipment
- Services
- Outcome





View the video on Facebook:

https://www.facebook.com/pg/friendsofsbamicrolans/videos/?ref=page_internal



**WE ACCELERATE
ENTREPRENEURIAL
SUCCESS**





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MACED

Peter Hille

Building a New Economy In Appalachia



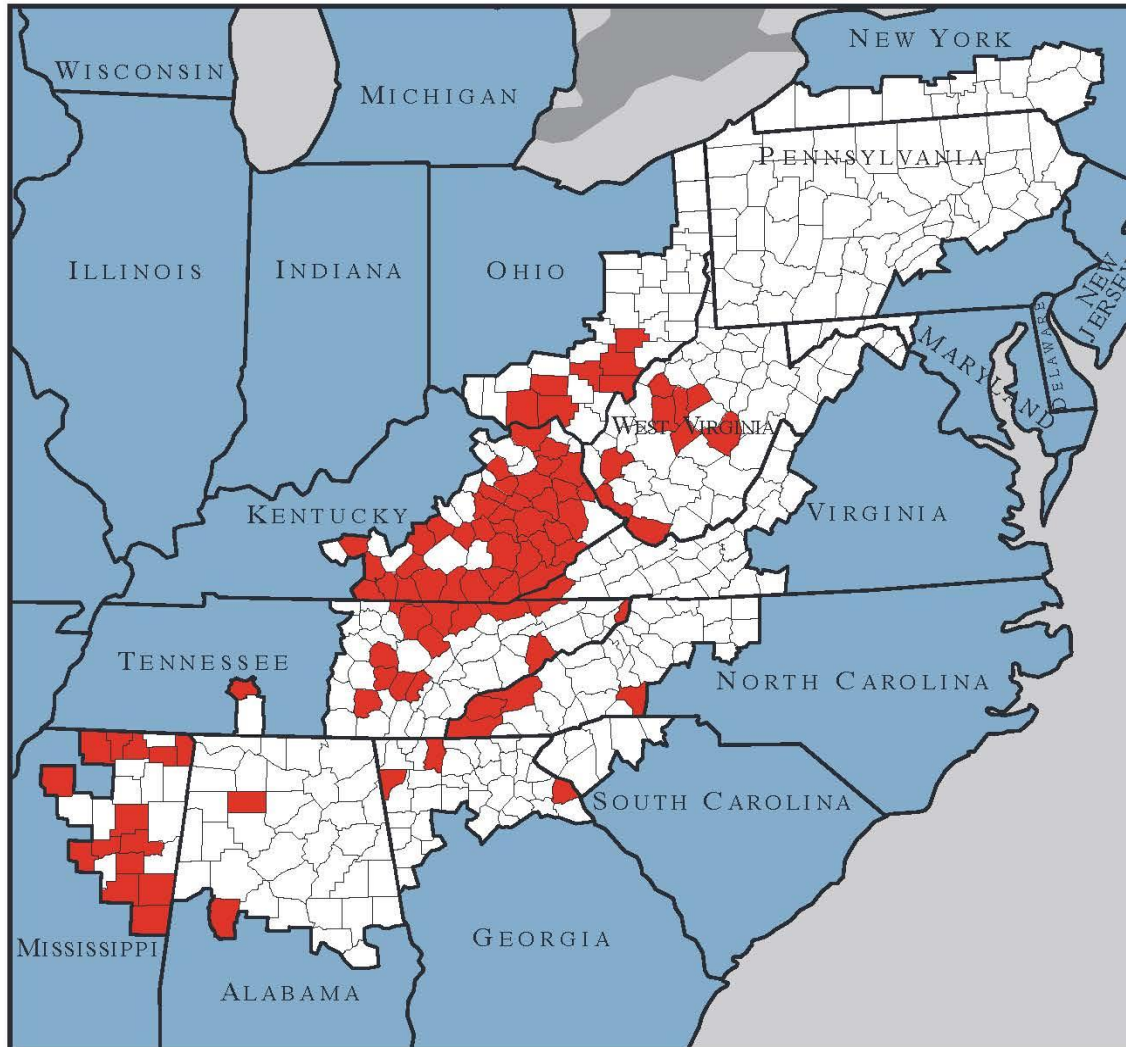
Peter Hille, President
Mountain Association for Community
Economic Development (MACED)

Just Transition

A new post-coal economy
for Appalachia

- Diverse
- Sustainable
- Equitable
- Resilient

Economic Distress in Appalachia

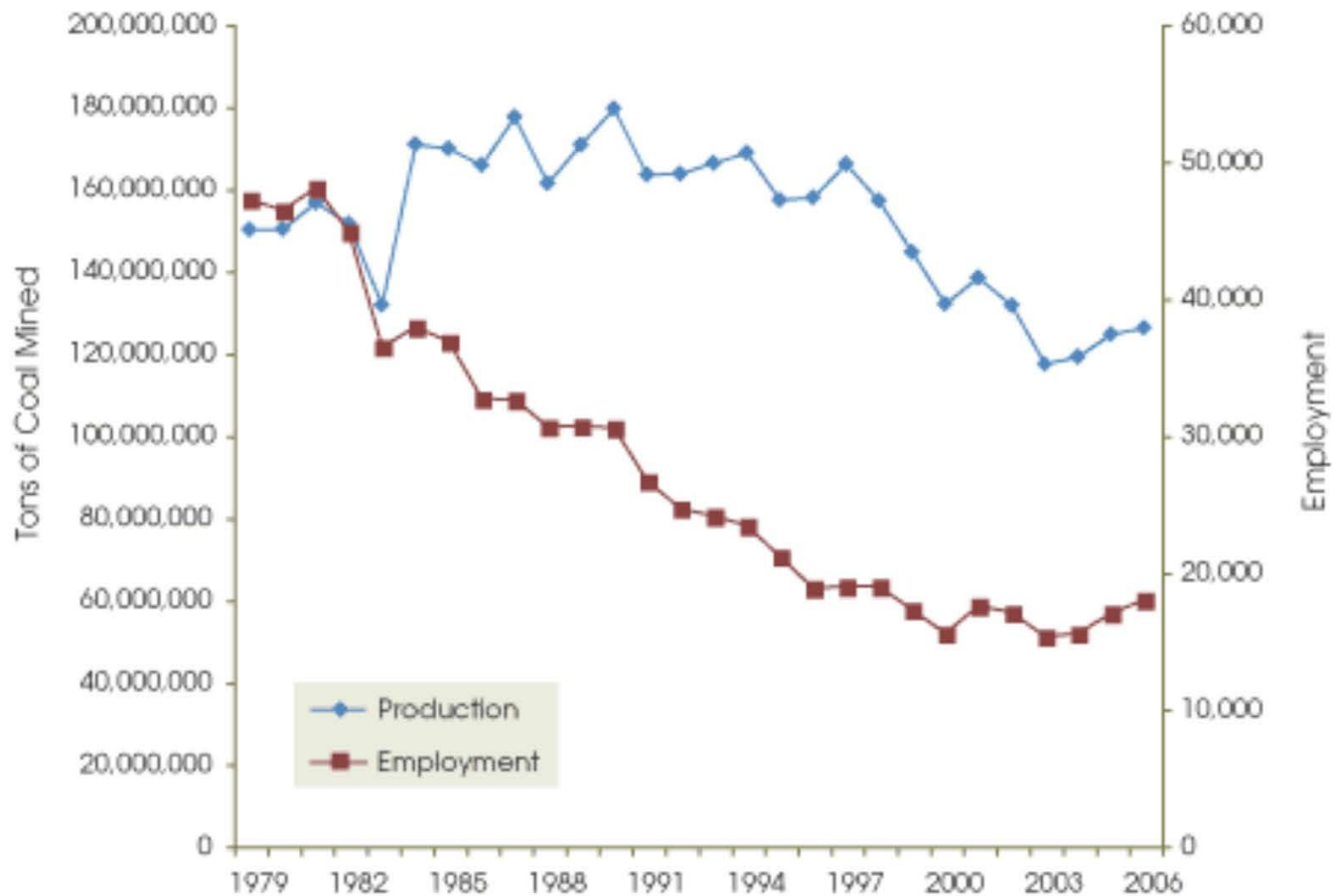


Economic Distress

Counties that fall into the bottom 10% of all counties in the US, based on:

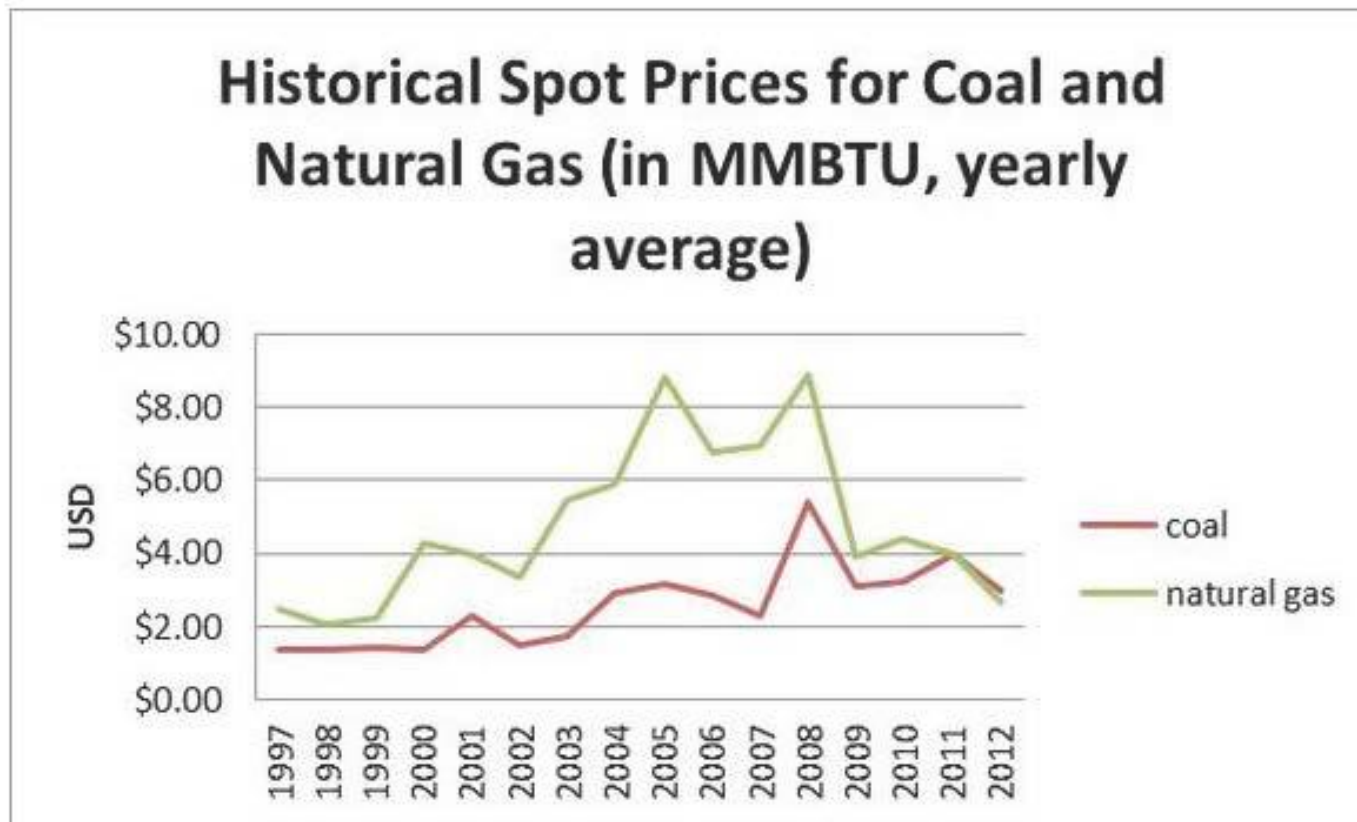
- Per capita income
- Percentage of families in poverty
- Three-year average unemployment rate

Kentucky Coal Mining Production and Employment (1979-2006)



Sources: Kentucky Office of Energy Policy, Kentucky Coal Association, Energy Information Administration

Coal vs Natural Gas 1997-2012





View the video on Facebook:

https://www.facebook.com/pg/friendsofsbamicroloans/videos/?ref=page_internal

Just Transition

- The economy has changed
- Communities that fueled the growth of our nation in the old energy economy are bearing the brunt of this change
- We owe a debt to these communities and these people

Just Transition

Respect the debt and

Honor the sacrifices

By

Making the investments to

Level the playing field

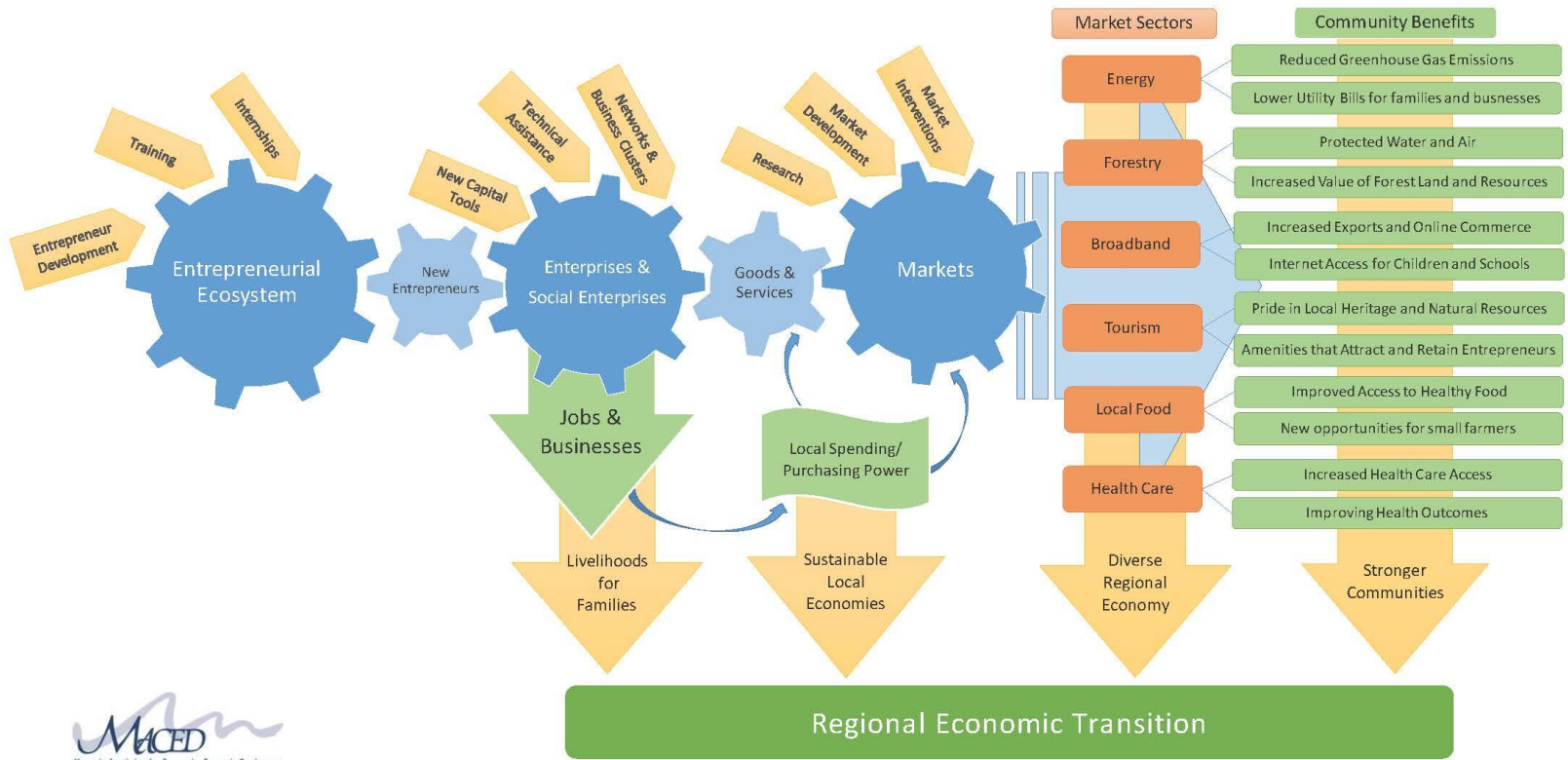
To

Build the new economy

Investment



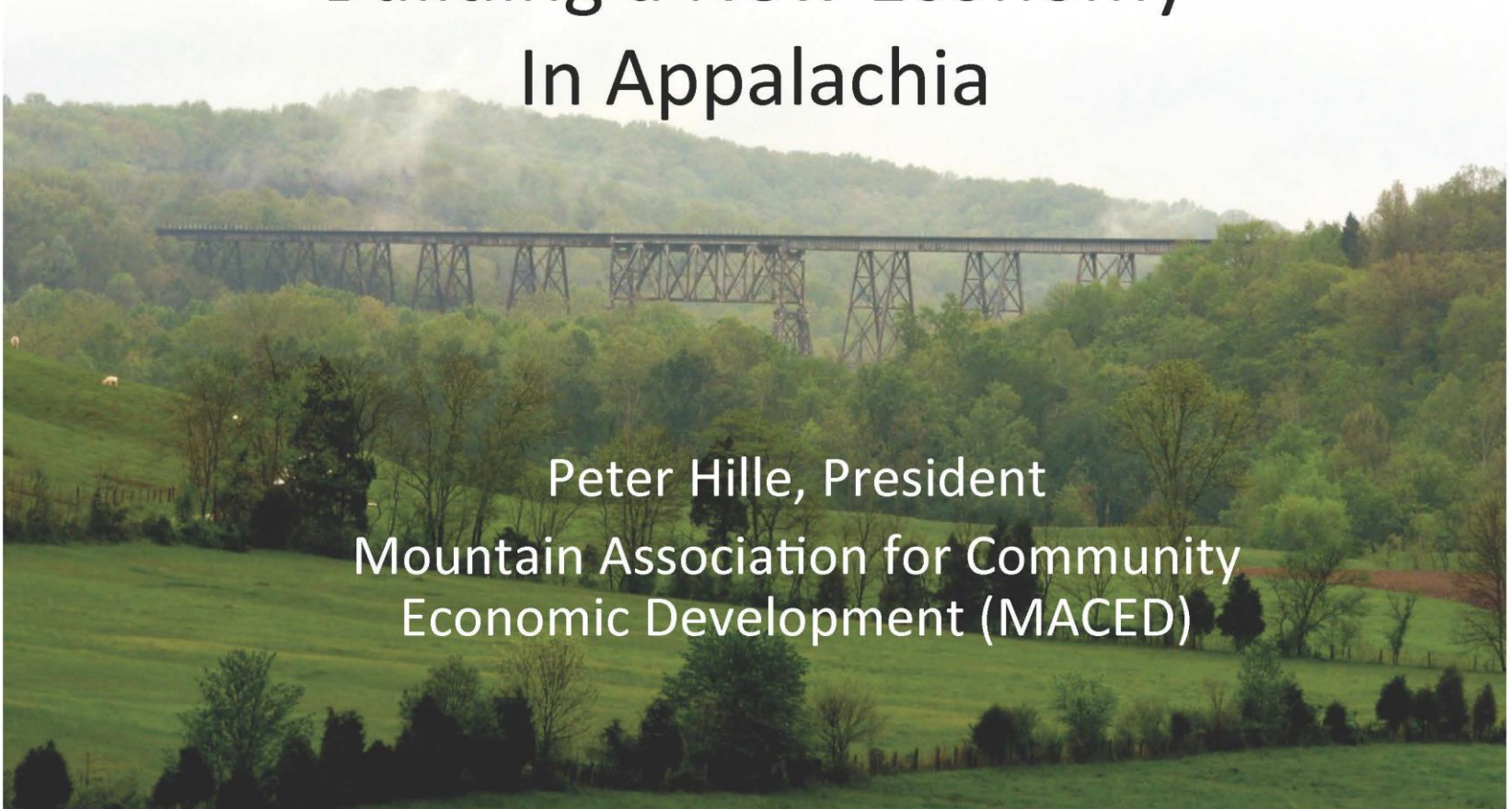
MACED Economic Transition Model





Building a New Economy In Appalachia

Peter Hille, President
Mountain Association for Community
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LIFTFUND

Celina Pena