



# Microlending

Accion Chicago, Inc.

**ACCION**

# Microlending Internationally

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- Small or “micro” loans made to entrepreneurs to enable them to expand businesses. Average close to \$500 across the globe and have reached millions of borrowers.
- Began about 30 years ago, starting nearly simultaneously in Latin America and Asia.
- Popularized by Muhammed Yunus & Grameen Bank (Bangladesh). Yunus wrote “Banker to the Poor” which brought visibility to the idea. Yunus and Grameen Bank won the Nobel Peace Prize in 2006. The UN named 2005 the “Year of Microcredit”

# Mission of Accion and Microlending in Chicago

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- Make access to credit a permanent resource to low- and moderate-income small businesses owners in the United States.
- Provide small or "micro" loans to men and women who have been shut out of the traditional banking sector.
- Help narrow the income gap and provide economic opportunity, thereby stabilizing and strengthening communities and economies.
- **Accion Chicago has made more than 2,600 loans over the last 17 years totaling more than \$20mm.**

# A Successful Client

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## **Just Us Lawn Care**

Hope. Jimmie Williams exudes it and he takes care that his business, Just Us Lawncare, exemplifies it.

Jimmie and his wife Tiffany, started Just Us Lawncare in 2007. At that time, Jimmie

had been unable to find work due to a criminal record so he bought a snow plow and started a snow removal service. Eventually, he branched out to landscaping and building maintenance to continue his business year round.

The Williams's used a \$4,000 loan in 2008 to upgrade their vehicle and equipment and have since taken out two additional loans to continue to grow. Jimmie adds that his business has put him on the straight and narrow. "I do this to prove a point to myself and to give others an opportunity to start something for themselves."

[www.justuslawncare.com](http://www.justuslawncare.com)



# The Market in the US

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- Est. 13.1 million microentrepreneurs (defined as business owners with fewer than 5 employees)
- Represent 20% of employment in Cook County
- 82% of these have never accessed bank credit for their businesses
- 2.4 million are Hispanic or African-American
- 2.2 million of Hispanic and African-American microentrepreneurs have not previously received a bank loan
- 40% had never considered a bank loan for their business

# Clients of Accion

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- Borrow \$8,000 on average
- often have no more than a high school education
- are 75% minority
- are 50% female
- are 75% low-moderate income by federal standards (earning 80% or less of area median income)
- often have business assets of less than \$5,000
- Average credit score of 630, well below minimum bank standards.
- Accion estimates that it is reaching only 10% of the demand for microloans in the Chicago area.

# Another Successful Client

## Catering Out The Box

Anthony Waller, founder and owner of Catering Out The Box, has always been passionate about food. He began with a simple vision: to provide elegantly packaged lunches using high-quality ingredients for a variety of catered events. Initially operating out of his home, Anthony saw his unique product and target marketing efforts rewarded with increased customer demand. To continue this growth, he needed capital to expand into an affordable kitchen and office space. When other lenders could not assist him, he turned to ACCION Chicago, where he was approved for a \$12,000 loan. Catering Out The Box now has 12 employees and operates out of a spacious Hyde Park location that is well equipped for future growth.

[www.cateringoutthebox.com](http://www.cateringoutthebox.com)



# Thank You.

If you have any questions on any of this, please do let me know.

[www.accionchicago.org](http://www.accionchicago.org)

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