

Kiva City Milwaukee

Progress report

Community and Economic
Development Committee

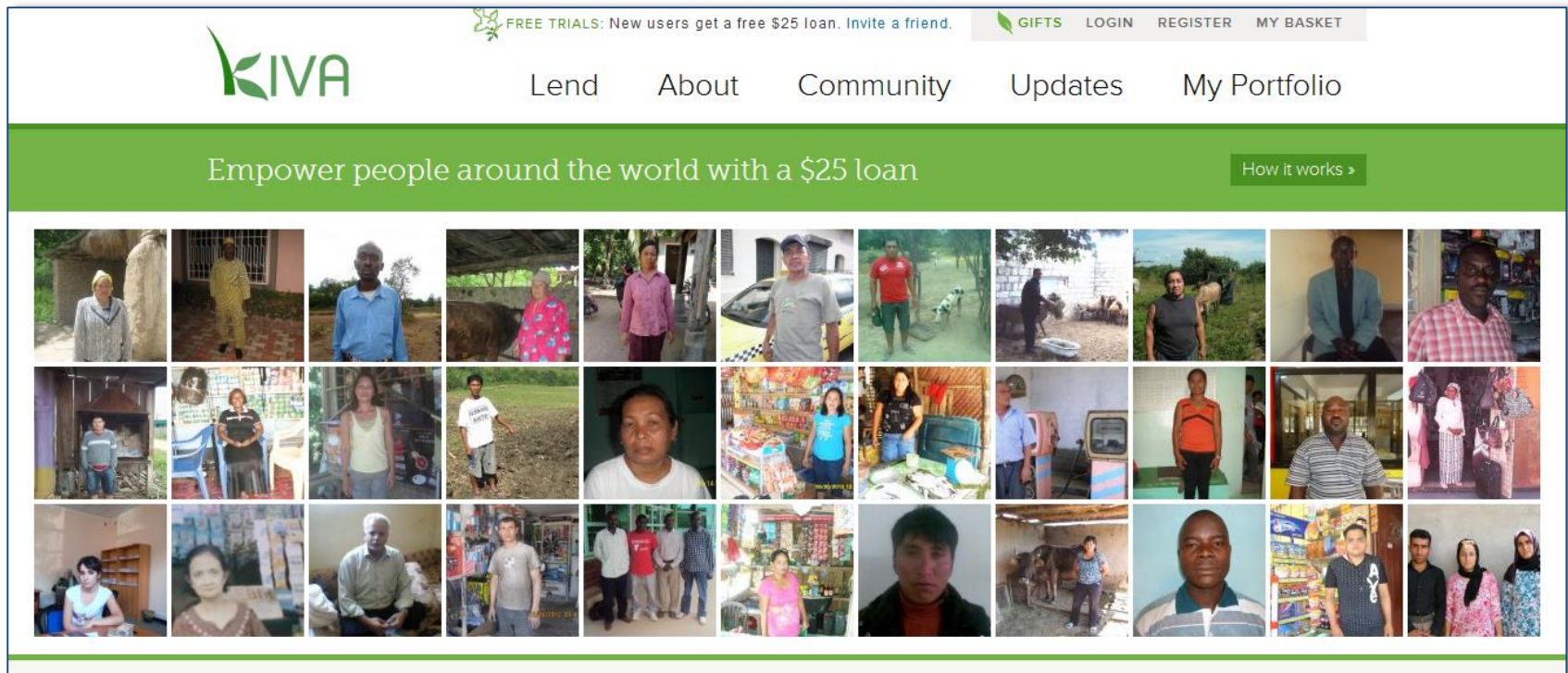
March, 2017



Loans that change lives



Kiva leverages the internet and a worldwide network of partners to allow individuals to lend as little as \$25 to small and start-up businesses. Since its founding in 2005, Kiva has facilitated \$937 million of lending to 2.2 million entrepreneurs in 82 countries.



- U.S. small businesses identify capital as #1 need
- Many entrepreneurs do not qualify for conventional loans, or even loans from a micro-lender
 - Business may not have sufficient credit rating or longevity to meet lending standards
 - Business may seek a small loan that bank considers too expensive to process and service
 - Lender may consider the business type too risky for investment
- Unable to get conventional loans, many entrepreneurs pay extremely high interest rates to finance their businesses with:
 - Credit cards
 - Unregulated “alternative” small business lenders
- Kiva provides affordable credit to underserved borrowers

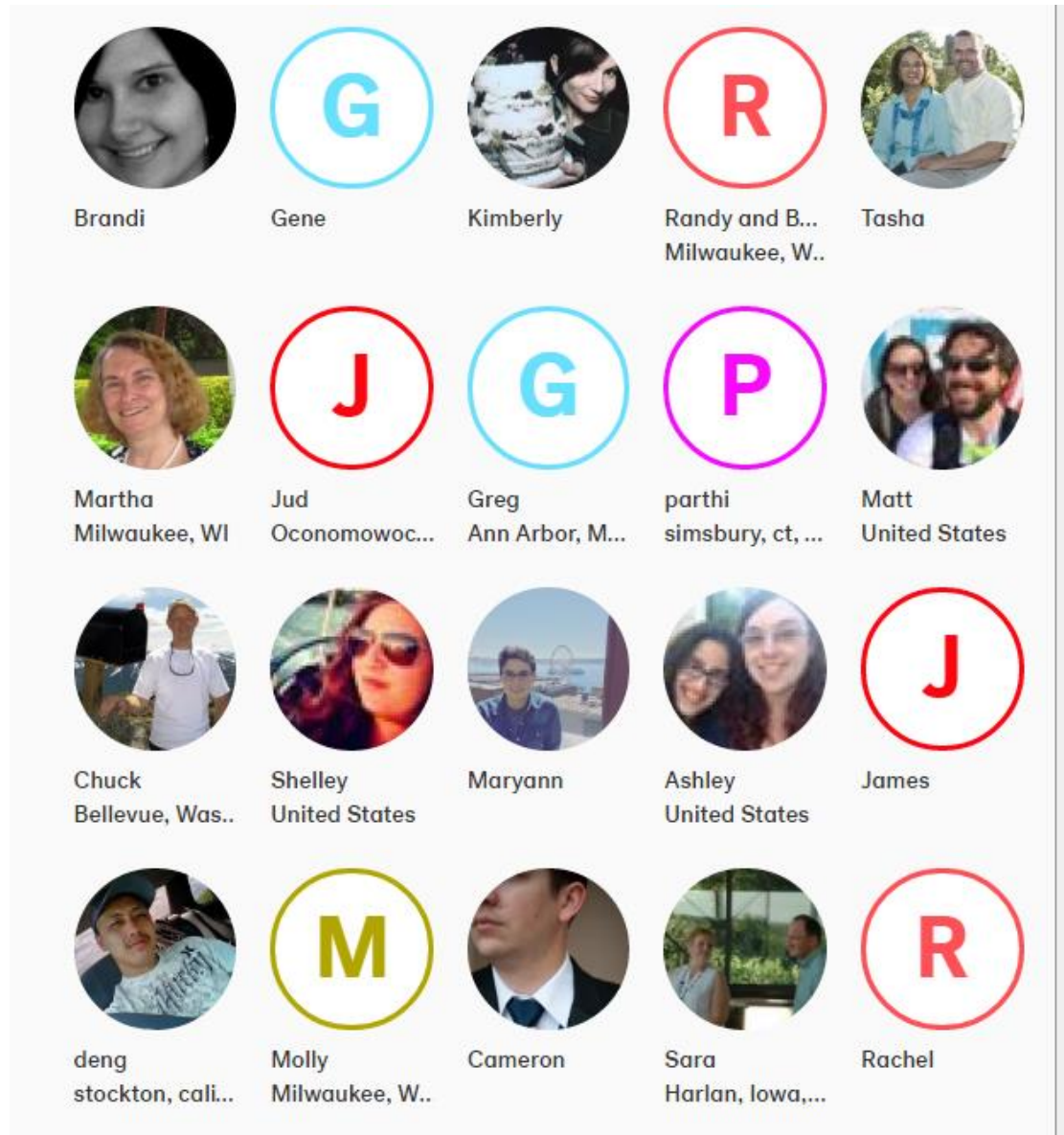
Kiva compared with traditional lending sources

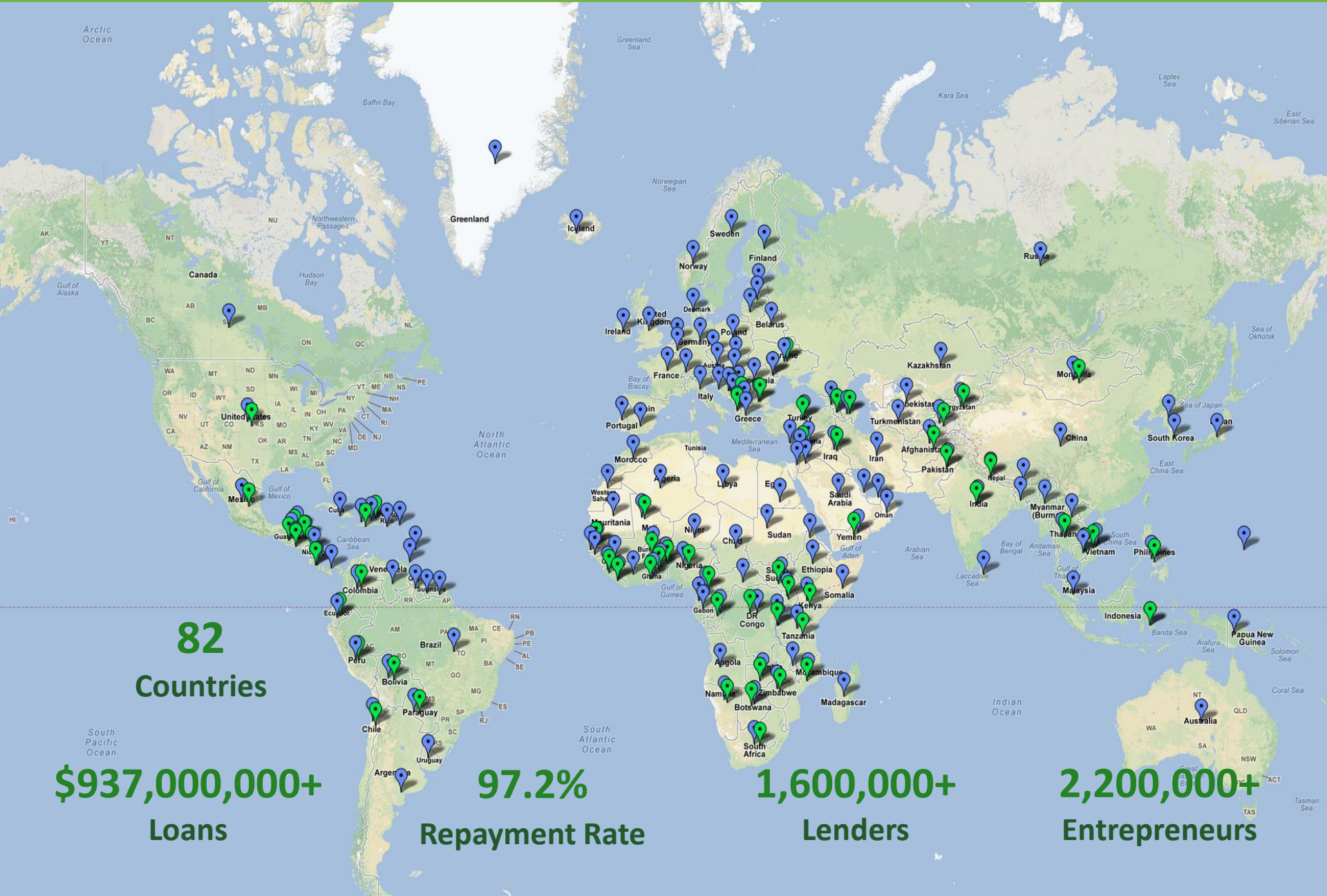
	Traditional lender	Kiva
Evaluating borrower and risk	Credit score Collateral Cash flow	Character Relationships Reputation Social impact of business
Who makes the lending decision?	Bank loan officer or loan committee	People in the Kiva lender network
Interest rate	Varies according to cost of funds and perceived risk	0% interest
Fees	Various (application fee, documentation fee, commitment fee, etc.)	\$0 fees
Loan size	\$10,000 or more (SBA guarantee)	\$500 - \$10,000



Kiva lenders are...

- Ordinary people all over the world who support entrepreneurs
- Willing to take a chance on a new business
- Lending as little as \$25 to each business they choose to support
- Expecting repayments, but able to absorb modest losses
- Reinvesting loan repayments in new loans
- Sometimes working in lender teams to increase their impact





82

Countries

\$937,000,000+

Loans

97.2%

Repayment Rate

1,600,000+

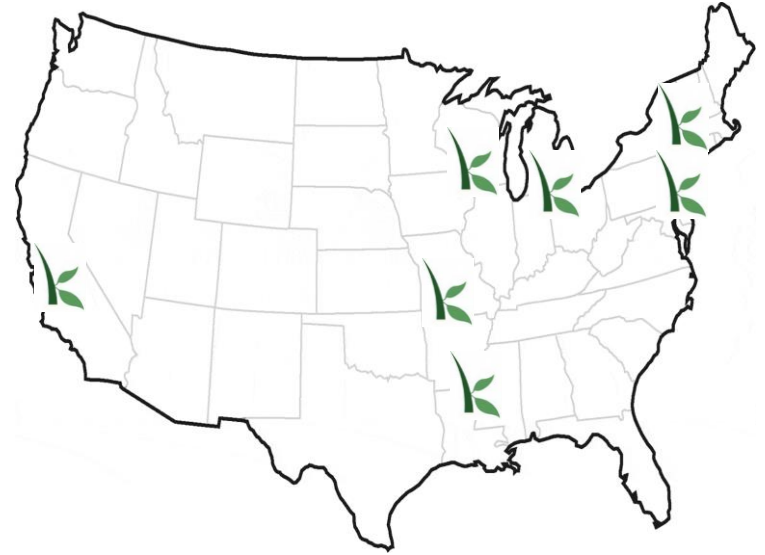
Lenders

2,200,000+

Entrepreneurs



- Kiva City program launched in 2011 to make Kiva loans available in U.S.
- Kiva partners with economic development corporations, local non-profits and civic groups
- Wisconsin Women's Business Initiative Corp. partnered with City of Milwaukee to seek Kiva City designation
- City provided \$15,000 of financial support to Kiva
- Kiva City Milwaukee launched on **February 17, 2015**
- 11th Kiva City nationwide



All Kiva borrowers must:

- Be over the age of 18
- Borrow to support their business (for-profit or non-profit)
- Have a PayPal account or be able to set one up
- Not be *currently* in bankruptcy or foreclosure.



- Borrower files loan application with Kiva
- Nichole contacts borrower to assist
- Kiva reviews application
- Borrower raises a portion of loan from family and friends
- When “private borrowing” target is reached, lender network can see borrower’s info on Kiva website
- People in Kiva lender network make small loans to borrower
- Borrower repays loan monthly to lenders through PayPal



10% funded

27 days left

\$6,300 to go

Total loan: \$7,000

Powered by 21 lenders

Aalia

The Retro Cafe



Kenosha, WI, United States /

Restaurant / Caterer

\$25 ▾

Lend now

A loan of \$7,000 helps expand and grow our business.

More about this loan

Business Description

I started the business because I saw that I wanted a better future for my family, me being able to be around in my child's life more and me being a strong role model for her was my intention. The biggest challenge is to have enough money towards advertising and finding that perfect form of advertising. I am proud that my business supports other small businesses as well as the community with our Pending Coffee options. We have one other employee that helps a few hours a week.

What is the purpose of this loan?

Loan description: 1,000 will be our marketing budget: creating ads in the local magazine exposing us to one of our target audience (students/younger crowd), 1,000 will go towards supplies and products, providing a great quality product and offering retail products for purchase will increase our revenue by 5% 2,000 will go towards our rent, sustaining a good location is key in our success. 3,000 will be working capital, some will set aside for payroll, this will help us not use our personal finances for the business so we can sustain our personal lives.

Loan details



Loan length:

36 months

Repayment schedule: Monthly

Disbursed date:

Disbursed after fully funded on Kiva.

Currency exchange loss: N/A

Endorsed by Trustee:

No Trustee Endorsement

Is borrower paying interest? No

Risk rating: Unrated



Vanessa Elizabeth 🇪🇨 Ecuador

A loan of \$1,300 helps to buy rice, fish, sugar, etc.

\$250 to go



Sonia Tamara 🇪🇨 Ecuador

A loan of \$1,175 helps to purchase rice, sugar, flour, etc.

\$725 to go



Mariana Monserrate 🇪🇨 Ecuador

A loan of \$1,075 helps to purchase rice, fish, etc.

\$475 to go



Beloved Group 🇬🇦 Ghana

A loan of \$1,250 helps a member to purchase ingredients for making pastries and local dishes to sell.

\$200 to go



Michael 🇺🇸 United States

A loan of \$10,000 helps expand our production capabilities to grow our locally made, all-natural marshmallows in Minneapolis.

\$4,500 to go



Digna Esperanza 🇸🇻 El Salvador

A loan of \$500 helps to buy ingredients such as beans, corn and condiments in bulk for making tamales to sell.

\$50 to go



Santa Clara Group 🇵🇷 Paraguay

A loan of \$1,975 helps a member to buy a variety of ice cream to sell.

\$1,100 to go



Sherry 🇺🇸 United States

A loan of \$10,000 helps us to move out of a shared commercial kitchen and into GOODLife Juice's own kitchen allowing much greater business efficiency...

\$6,825 to go

Nichole Crust, Kiva MKE market leader

Trustees

- Endorse a borrower before loan is posted on kiva.org
- Help borrower tell his/her story effectively
- Provide technical assistance to borrower

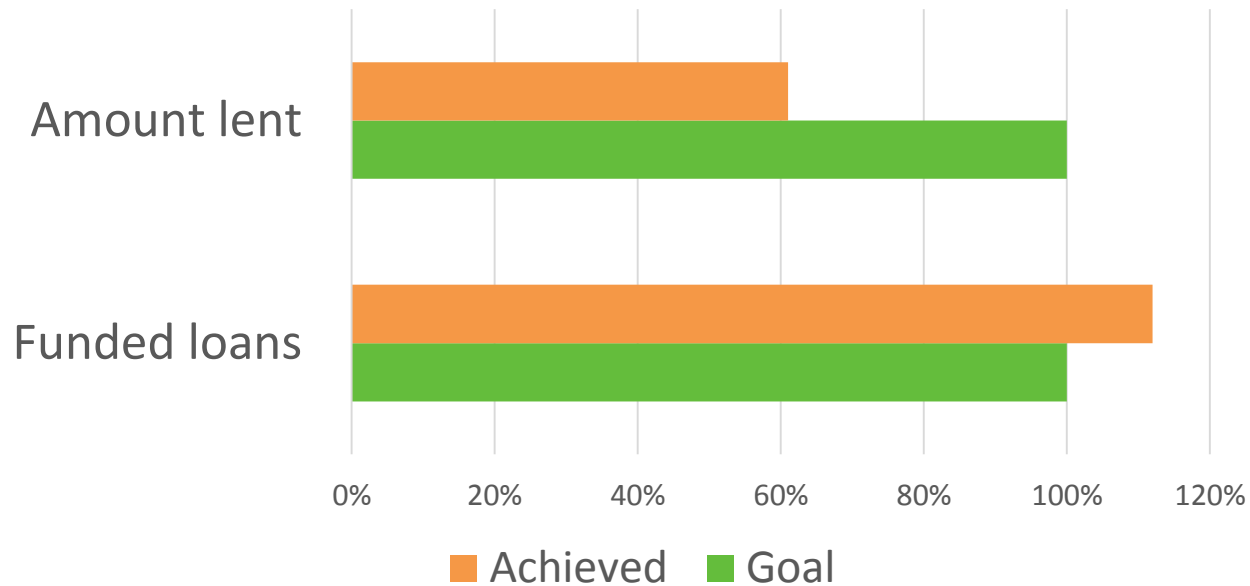
Matching loan funds

- Match loans made by individual borrowers
- Matched loans are fully funded more quickly



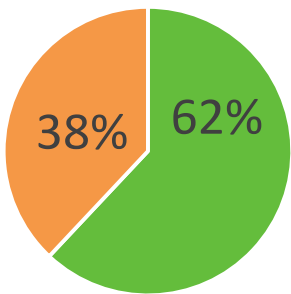


	Statewide	Milwaukee 7 region	City of Milwaukee
Fully funded loans	112	87	61
Amount lent	\$613,855	\$393,350	\$360,100
Average loan size	\$5,489	\$4,650	\$5,985



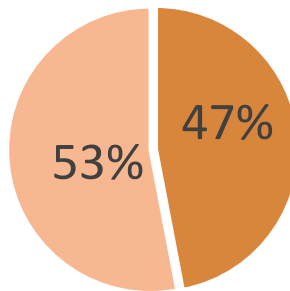
	City of Milwaukee	Milwaukee 7 region	Statewide
Female	61%	60%	62%
Racial/ethnic minority	60%	46%	53%
Low-income	80%	81%	76%

Gender



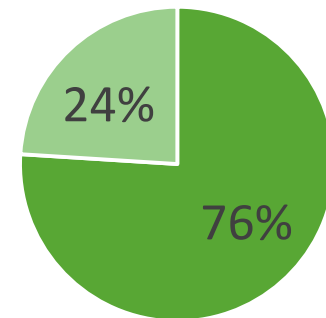
Female Male

Race/ethnicity



White Minority

Income



Low-income Other

	City of Milwaukee	Milwaukee 7 region	Statewide
General retail	22%	19%	11%
Food production	13%	12%	11%
Clothing/jewelry/accessories	11%	9%	7%
Arts/crafts	9%	7%	5%
Transportation	4%	4%	3%
Agriculture	2%	4%	9%



Purchase inventory

Pay for legal fees

Improve their technology

Invest in equipment

Purchase vehicles

Upgrade their websites

Expand product lines

Hire staff and help

Market and advertise

Lend

- Support a local entrepreneur with financial and social capital.

Borrow

- Access a 0% interest Kiva loan to invest in your business.

Endorse

- Become a trustee and enable an entrepreneur to access a Kiva loan.



kiva

- Inform your constituents that Kiva loans are available in Milwaukee
 - Newsletters
 - Presentations at business seminars
 - City Channel PSA???
- Encourage organizations in your district to become a Kiva trustee
- Encourage your constituents to join the Kiva lender's network
- Make a Kiva loan today at kiva.org!

Nichole Crust

Nichole.crust@wwbic.com

Kiva.org

