

# **Fintech Lenders and Their Potential to Reach Underserved Women and Minority-Owned Small Businesses**

# Cuyahoga County

## Microcredit Supply and Demand Analysis

Friedman & Associates, 2011

**Dramatic decline in small business lending**

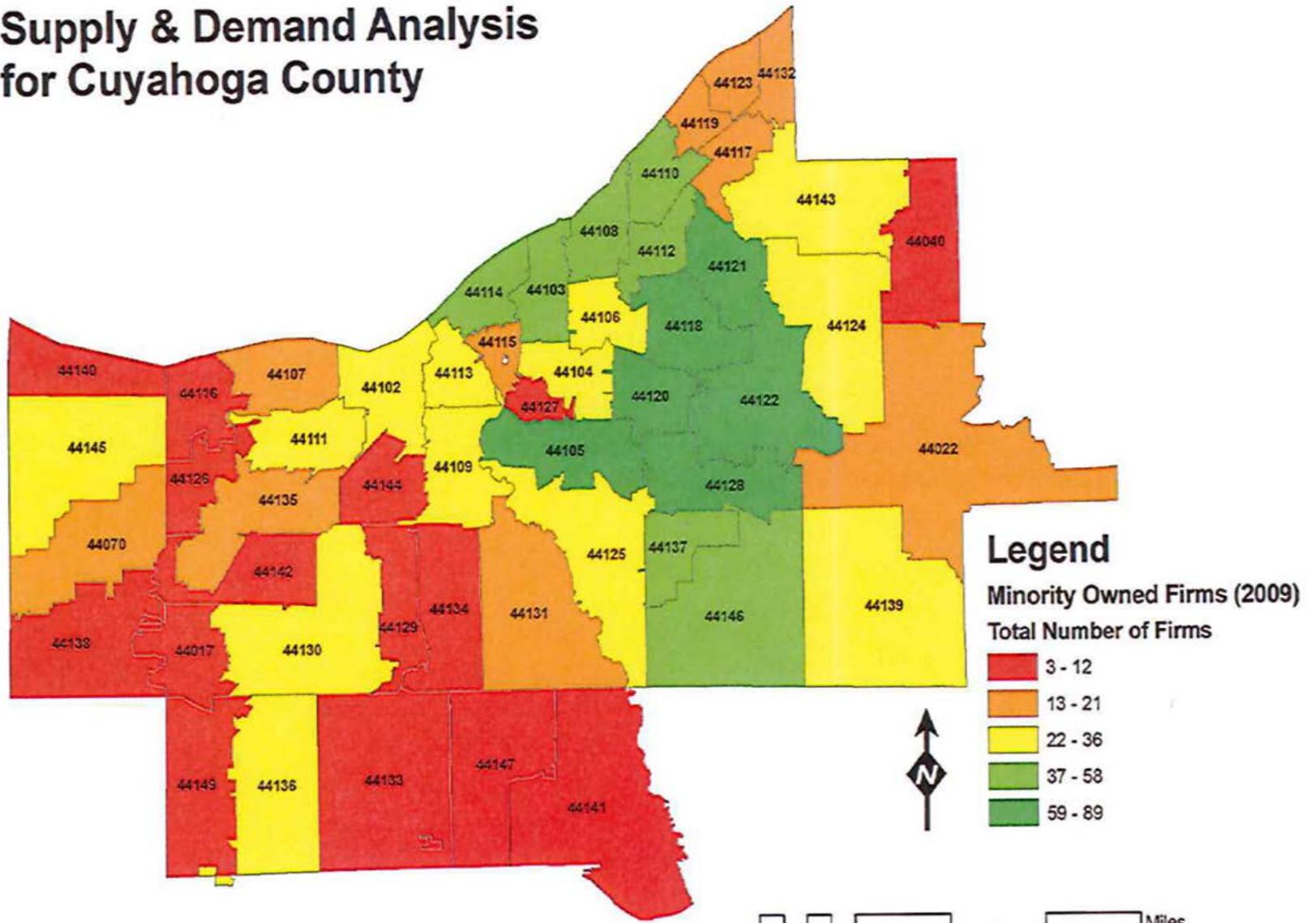


**Significant gap in small business lending**

**\$38 million**

**Six zip codes in Cleveland account for  
\$25 million of the lending gap**

# Supply & Demand Analysis for Cuyahoga County



Map Created by: Urban Oasis Development, LLC  
 Source: U.S. Census Bureau County Business Patterns, Dun & Bradstreet

0 1.5 3 6 9 12 Miles



**Investing in people, businesses and communities to create measurable and enduring social and economic change.**

- **Founded in 2004, ECDI has offices in Akron, Cleveland and Columbus, field offices in Cincinnati and Toledo.**
- **3rd-largest US Small Business Administration (SBA) intermediary microlender in the nation**
- **ECDI is a U.S. Treasury designated Community Development Financial Institution (CDFI)**
- **Since 2004, ECDI has disbursed \$38 million in small business loans to 1,765 clients**



## ECDI Cleveland (2012)

- \$7.7 million small business loans through 306 loans
- Average loan size of \$25,000
- 51% of loans to minority owned businesses
- 53% of loans to women owned businesses
- Created or retained over 1,200 jobs





**The Women's Business Center of Northern Ohio (WBC) aims to increase the number of successful women entrepreneurs by providing resources and tools to create sustainable women owned businesses.**





**ECDI**

**Fintech**

# Service Delivery Model



Technology allows training, coaching and lending staff to deliver services in the field, in neighborhoods in zip codes that were identified in the study.

# Helping Clients access Technology

Resource room and meeting rooms equipped with technology resources for our clients.



Connect aspiring entrepreneurs with basic computer training through community partners.

# Coworking



# Loans for Technology

**In July 2015, Laura, a retired nurse, leveraged her 30 years of management experience and her son's 13 years of truck driving expertise to start MJP Trucking.**

**MJP Trucking is a minority and female owned trucking company providing dependable, performance driven bulk hauling and dump truck services.**

**ECDI provided Laura with a Launch Loan to purchase a computer to start her business.**



# Loans to Refinance High Interest Fintech Loans



## Case Study A

Mr. & Ms. Davis started a commercial janitorial service, in 2008. During their very first year in business, they had the good fortune of cleaning the private planes of both Barack Obama and Joseph Biden during the 2008 presidential campaign. At the close of their first year in business, they generated \$63,000 in revenue, and in 2015, they closed the year with approximately \$750,000 in sales. In 2014, the Davises had the opportunity to expand their territory and needed to raise capital to purchase the expanded franchise but were unable to obtain a conventional business loan.

### Alternative Loans

**\$80,000 with an interest rate of 20%**  
**Monthly Payment of \$5,441**  
**36 month term**

- **Reduced interest rate by more than 10%**
- **Reduced monthly payment by \$3,652**
- **Doubled repayment term**

### ECDI Loan

**\$100,000 loan at a 9.57% interest rate**  
**Monthly Payment of \$1,789**  
**60 month term**



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