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## ***Microfinance in the United States***

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# What is Microfinance?



## What is the Impact of Microfinance?

- Job Sustainability
- Income Generation
- Asset Creation
- Job Creation
- Economic Multiplier
- Community Participation
- Tax Revenue
- Innovation
- Personal Satisfaction
- Hope



# What is the Market?

- There are nearly 25 million businesses in the U.S. with 5 or fewer employees. Nearly 11 million are considered underserved.
- There are approximately 260 microlenders who issue, in aggregate, around 13,000 loans annually.





# What are the Key Components of Managing a U.S. Microfinance Program?

- Market based interest rates
- Revolving loan funds
- Self-sustainability
- Managing portfolio risk
- Managing organizational risk



# What is the Framework for Sustainability?

- The Vision & Values
- Corporate Structure
- Funding
- People
- Products & Services
- Processes
- The Market



# What Should You Consider When Underwriting Microloans?

- **Character:** Integrity, passion, perseverance, accountability
- **Capacity:** Financial ability to repay the loan
- **Collateral:** Something of value with which to secure the loan
- **Capital:** Financial investment and sweat equity
- **Conditions:** Environmental Influences



# Thank you!

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