

***The Team at WWBIC would not let me give up on myself. They would not allow me to fail.”
-Shelina Harvey, Make Your Money Talk Graduate and Business Owner***

1. Organizational Background - Return Journey: Reentry Cohort Project

1. Name of Organization: Wisconsin Women’s Business Initiative Corporation (WWBIC)
2. Official Contact: Wendy K. Baumann, President and Chief Visionary Officer, (414) 395-4530, wendy.baumann@wwbic.com

Organization history: In 2017, WWBIC celebrates 30 years of impact! WWBIC was started in response to the Women’s Business Ownership Act of 1988 as an SBA Women’s Business Center and Microlender. In 1994 we launched our business education programming and our target market expanded to include minority and low-income entrepreneurs. In 1999, we launched a Financial Capability initiative because so many clients came to us with poor credit histories and intertwined personal and business finances. An asset-building component allows participants to purchase a home, open a business, or pay for college. In 1998, WWBIC became Wisconsin’s first nonprofit certified and funded Community Development Financial Institution (CDFI). In 2013, WWBIC became the first Wisconsin CDFI rated by Aeris, a service for investors. Since 1987, WWBIC has assisted 55,317 individuals, loaned \$52 million to small business borrowers, and helped create and retain 9,000 jobs. In 2016 alone WWBIC approved 155 loans for \$9 million and provided business education and technical assistance to 3,684 individuals. WWBIC’s current loan portfolio is more than \$16 million.

Core competencies: Lending. WWBIC offers access to fair and responsible capital through our own Revolving Loan Fund and connections to other capital sources. We also offer SBA Community Advantage Loans. Business Education. WWBIC is a leader and innovator in business education for entrepreneurs, offering more than 400 classes each in year, live and online, in English and Spanish. Business Technical Assistance. WWBIC’s extremely pro-active model for providing technical assistance to our loan clients mitigates the risk of lending to unbankable borrowers. A WWBIC “Small Business Consultant” staff member is assigned to each loan client immediately upon loan closure and provides financial analysis, business plan monitoring and marketing assistance that continues during the life of the loan even up to six years. WWBIC also offers credit counseling and credit repair to help individuals qualify for a small business loan. We leverage community expertise with more than 200 volunteers in professional fields (including banking, law and accounting) who work one-on-one as coaches and mentors to WWBIC clients. Access to Business Networks. WWBIC is experienced in encouraging client interaction; many of our clients partner with, advise one another or purchase from each other.

Geographic area of focus: WWBIC is statewide. Our headquarters is in Milwaukee, and we have offices in Madison serving South Central Wisconsin and Kenosha and Racine serving Southeast Wisconsin. In addition we have satellite offices in Southwest Wisconsin and Northeast Wisconsin.

Positioning to delivery entrepreneurship training to formerly incarcerated individual: WWBIC has been systematically increased its focus on returning citizens (formerly incarcerated) over the past three years. Our Aspire Challenge **Return Journey: Reentry Cohort Project** will support the formation of two returning-citizen cohorts in our *Start Smart* Business Planning Series in each of our major markets: Milwaukee, Southeast, and South Central Wisconsin. Ideally we will have at least one all-female cohort. Part of the funding will provide scholarships and laptops to qualifying participants. WWBIC continues to develop its outreach to and connections within Wisconsin prisons.

Experience in offering resources and programming in the past to formerly incarcerated individuals. We currently have an SBA PRIME grant of which more than 50% of individuals served will be ex-offenders within the criminal justice system, including those on parole, probation or incarcerated persons soon to be released. In 2012 veterans were just 3% of our total clients in all programs (lending, business education, and personal financial capability); in 2015 they were 5%.

2. Background of Management Team

President/Chief Visionary Officer (CVO) Wendy K. Baumann, in her 23rd year leading WWBIC, is a nationally-recognized leader in microenterprise, small business development, financial capability and social enterprise. Wendy has presented in venues ranging from the Global Microfinance Summit to the United Nations, and has pioneered business incubation, capital access programming, financial capability and economic literacy and social entrepreneurship in Wisconsin. With her leadership and vision, WWBIC has grown from a \$200,000 budget with a staff of two, to a \$5 million organization with 50 staff, four regional offices, and two rural satellite offices. Wendy's board service includes The Association of Enterprise Opportunity, The Association of Women's Business Centers, and the U.S. Small Business Administration Advisory Board, the Federal Home Loan Bank of Chicago, The Wisconsin Housing and Economic Development Authority New Markets Tax Credits Board, the Milwaukee Public Market Board, and the UW-Milwaukee Alumni Board.

Regional Project Director Amber Miller manages multiple poverty alleviation programs, including a pilot program with UW Stout and the Wisconsin Department of Health and Human Services to help increase asset building for individuals with disabilities. In 2013, Amber assisted WWBIC in receiving a \$3.4 million grant to assist families who have children with disabilities achieve self-sufficiency through financial awareness. She leads WWBIC's Business Education, Financial Capability and Wisconsin Saves Initiatives. Amber holds a B.A. in Business and Management from Alverno, a Masters of Business Administration and Master of Higher Education Administration and is a Certified HP LIFE and NxLevelL Instructor. She is the recipient of the 2015 Women in Champion Small Business Administration (SBA) Award and the 2016 recipient of the UEDA Extraordinary Community Partner award.

Director of Lending Michael Hetzel has 30 years of experience in the banking industry and has been with WWBIC since 2013. He oversees all lending operations related to underwriting, due diligence, loan servicing, and marketing for WWBIC's 14 loan funds on and off balance sheet including Community Development Block Grant loan funds. He oversees a team of four lenders who originate more than \$9 million in new loans per year. He has special expertise in meeting goals and adhering to covenants established by federal government loan programs and other programs for total number and volume of loans to low-to-moderate income borrowers, especially women, people of color, and veterans. Under his leadership WWBIC's defaults (always within industry standards) have decreased dramatically while total loan closings, capital disbursements and deployment have all increased significantly and continue to grow.

3. Entrepreneurial Education Delivery Solution

1. Participant Recruitment Plan. WWBIC has experience identifying participants who will receive the services described in this challenge. A key staff member will be **Small Business Consultant Katherine Marks**, who has forged many relationships with Wisconsin prisons and has expertise in identifying entrepreneurial participants for WWBIC business plan development programs. WWBIC hosts classes at the Kenosha Correctional Center, the Racine Correction Center, and attends the Women's Resource Fair at the Ellsworth women's correctional institution in Racine. We have a partnership through our SBA PRIME grant with the reentry program of the Nehemiah Center Urban Leadership in Madison, and have begun outreach to Racine Vocational Ministries. (More partnerships detailed below under Community Connections.)

2. Classroom Instruction. WWBIC will use its proven, existing intensive entrepreneurship education curriculum and adapt it to the needs of formerly incarcerated individuals. Our *Start Smart* Business Planning Series uses the national NxLevelL® curriculum which was coauthored by WWBIC Vice President Julann Jatczak. Topics will include process, strategy, financing, marketing, human resources, leadership, contracting and market/product development. WWBIC also offers a standalone class on leadership that participants can take. WWBIC proposes to deliver two returning citizens *Start Smart* series during the grant period. This seven-part classroom series provides an intensive entrepreneurship education and program plan that provides targeted

support to participating entrepreneurs that will increase their ability to start and grow businesses, while at the same time enhancing their personal and professional skills to improve their employment and financial outlook. It will also improve their access to business and professional networks. We envision a total of 16 re-entry participants (eight in each cohort.) Given the challenges these participants are likely to have with personal resources, WWBIC will provide full scholarships (normal series fee is \$275) and we will provide each participant with a Chromebook/Laptop to have to help them create their business plan. All participants will earn a *Start Smart* Graduate certificate upon completion of their business plan. To further assist with personal finances, participants will also have the opportunity to participate in WWBIC's four-part *Make Your Money Talk* classroom series, which focuses on savings, budgeting, and family communication around money. Outcomes of this project will fulfill the goals of WWBIC's Strategic Plan: Businesses started, expanded and strengthened; job creation and retention; increased individual income; increased person and business assets, and higher credit scores.

- i. Participants will meet in-person for classroom instructions that progressively develop over seven week in a cohort style of learning based on shared communication styles, experiences, and mutual challenges. Participants will have opportunities to pool knowledge of resources while encouraging, supporting and empowering one another.
- ii. Online resources and other components/activities that supplement the in-person curriculum: Project leader Amber and classroom facilitators will be available to meet and confer with participants one-on-one on their business plan review and for referrals to other resources. Participants will also have access to WWBIC's full array of in person and online-on demand classes in both English and Spanish.
- iii. WWBIC will guide participants to explore their personal entrepreneurial interest and visions in *Start Smart* and in standalone classes such as *Turn Your Hobby Into a Business* and *Thinking of Starting a Business* classes which are offered regularly.

Brief needs assessment of the proposed community's entrepreneurial ecosystem as it exists today: Great need exists here: A 2013 University of Wisconsin-Milwaukee study reported that Wisconsin has the highest rate of incarceration for black males in the nation. WWBIC is the state's only micro lender that also offers intensive one-on-one counseling and small business consulting as part of our lending function. We are widely recognized for our expertise in successfully working with disadvantaged entrepreneurs. Through our community connections we see numerous training, education and support gaps for individuals who have been formerly incarcerated. Our recent SBA PRIME award attests to our ability to create meaningful entrepreneurship training opportunities for this population.

3. Mentoring: i. Provide individualized support on developing entrepreneurial skills and strategies. As noted above we provide on-staff and WWBIC will leverage our network of 200 volunteers (business owners and professionals in law, accounting and marketing) who will work one-on-one with reentry program participants.

4. Community Connections: WWBIC has reentry partners in Madison, Milwaukee, Racine and Kenosha who will help us recruit participants for this project. In the Madison area examples are The Nehemiah Reentry Project which helps ex-offenders in the criminal justice system looking to start their own businesses, Madison–Area Urban Ministry (MUM) Journey Home reentry program and ARC Community Services, in Madison which offers residential facilities, training and substance abuse treatment to female offenders. We will also partner with WWBIC's SBA Community Advantage and Micro Loan programs, SCORE, the public-private Transform Milwaukee initiative in the Central City of Milwaukee, and the Micro Equity Targeted Low-Income Loan Fund that WWBIC has through the Wisconsin Housing and Economic Development Authority (WHEDA).

i. Opportunities to connect with the local business community and social service providers to increase participants' financial literacy: Access to WWBIC's powerful professional business networks, connections for reentry entrepreneurs with volunteer coaches and mentors to help them with specific business problems; we will also offer our own *Make Your Money Talk* financial literacy classes to our Reentry program participants. WWBIC also has access to angel investor networks and entrepreneurship scale up programs throughout the state to which we have already referred many clients.

Access to Capital

1. *Connection to capital and funding opportunities.* WWBIC has been an SBA Microloan Intermediary for most of its history, and capitalizes and administers its own Revolving Loan Fund (RLF). RLF investors include financial institutions, individuals, faith-based and non-faith based organizations, other government entities, Community Development Block Grant Funds, and public-private initiatives. At the close of 2016 our portfolio was more than \$16 million. WWBIC makes loans ranging from \$1,000 up to \$250,000 for some SBA Community Advantage Loans. Our average Micro Loan is about \$28,000 and our average small business loan is about \$55,000. WWBIC worked with the City of Milwaukee to bring Kiva, a crowdfunding lender, to Milwaukee in 2015. Kiva borrowers represent our smallest and most fragile entrepreneurs who would not qualify for a WWBIC loan. Kiva is on track to achieve its three-year goals, with 108 Kiva Loans in Wisconsin and 65 in Milwaukee – borrowers are primarily women, minorities, and lower wealth individuals—a great fit with WWBIC’s mission. WWBIC’s assists its clients in starting, expanding strengthening their businesses. Many clients “graduate” – from a Kiva loan to a WWBIC loan, and from a WWBIC loan to bank financing, or to entrepreneurship scale programs such as the Milwaukee Scalerator. Many clients return to WWBIC for a second or third loan; we also offer lines of credit.

2. *Provide assistance to prepare to meet with capital providers, preparing proper documentation* Matchmaking events with local lenders and funders Business pitch events to key members of entrepreneurial ecosystem. Preparing proper documentation – National studies show, and WWBIC’s experience has borne out, that the key to making micro enterprise businesses sustainable is the intensive one-on-one assistance that WWBIC provides to each client for the life of the loan – often up to six years. By providing services and support, community organizations have significant impact on job creation and business survival. Research shows that businesses that receive capital and services from a non-profit have median annual revenue growth 26% higher than the businesses that do not. WWBIC assigns Small Business Consultant staff member to each loan client who regularly reviews the client’s financials and business plan. This staff support is often supplemented with volunteer coaching and mentoring.

WWBIC staff provide one-on-one assistance to potential borrowers in the loan application and underwriting stages to ensure that they have all needed documentation. WWBIC also draws on the pro-bono legal expertise from three of Milwaukee’s top law firms to ensure that loan packages are complete. Post-closing, a different legal firm provides a pro-bono review.

WWBIC’s “e-committee” uses a secure portal to review documents electronically, discuss via chat, and approve loans between \$15,000 and \$50,000. Loans between \$50,000 and \$250,000 are approved by the formal loan committee, which meets monthly. Quorum is three, but generally at least eight committee members attend. WWBIC holds regular “mock loan committee” meetings where the Director of Lending and Loan Officers rigorously review each loan before it is presented to the formal Loan committee. Applicants have the opportunity to attend loan committee and answer questions personally. They are well-prepared by their Loan Officer in advance.

Access to business networks: WWBIC is strongly tied in to Wisconsin’s small business and entrepreneurship networks. We have a number of connections with business plan contests, connections to angel networks and several scale up generator programs. WWBIC is part of a Wisconsin’s web of individuals and organizations working collaboratively to increase the success of businesses, access to accelerators for entrepreneurs, and access to networking. Some of these opportunities include: Scalerator, a program of Milwaukee ScaleUp, gener8tor, *BOOST*, the new Marquette University-based accelerator, the new Initiative for a Competitive Inner City accelerator (Milwaukee was recently invited to participate in this nationwide program)