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**MAYOR EMANUEL'S MICROLOAN INITIATIVE GRANTS \$650K IN NEW MICROLOANS TO OVER
80 SMALL BUSINESSES**

*Creating or Preserving Approximately 350 jobs; An additional \$350K in loans expected to be
facilitated by December 1st*

Today, Mayor Rahm Emanuel and the Department of Business Affairs and Consumer Protection (BACP) announced the latest progress update for the Chicago Microlending Institute (CMI), launched by the City in May 2012 to train and develop microlenders to expand small business financing in Chicago. To date, more than 80 small business owners have received \$650,000 in loans, creating or preserving approximately 350 jobs.

"Small businesses are the backbone of our economy, and I am committed to using every available tool to support their development," said Mayor Rahm Emanuel. "Expanding the availability of non-traditional financing like microloans will open the door to more Chicagoans looking to open their own small businesses here in the City."

The \$650,000 in loans were made by Accion Chicago, the City's partner in establishing the CMI, and the two new microlenders trained through the program: the Women's Business Development Center and Chicago Neighborhood Initiatives (CNI). BACP anticipates that the remaining \$350,000 will be loaned out by December 1, 2013. Beneficiaries of the program represent the diversity of Chicago's neighborhoods and business owners: 72% of borrowers were minorities, 58% were women-owned, and 62% had low-to-moderate incomes.

The City of Chicago launched the initiative by providing \$1,000,000 in loan capital while Citibank and the Searle Funds of The Chicago Community Trust worked with Accion Chicago to establish the CMI and train new microlenders. Micro loans are smaller loans not offered by traditional financial institutions that serve as crucial financing tools for small business expansion and survival.

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The loans provided through this program are sized to provide small businesses with small but critical funding to support their growth, with 50% of loans falling below \$5,000 and 79% below \$10,000. Borrowers in the program report that the microloans have made it possible for their businesses to expand to second locations, fund new projects, and maintain or create 350 jobs in the City to date.

“Securing my microloan was the tipping point in our financing that had the double benefit of getting other investors on board and allowing us to have the working capital to keep us on track,” said Tim Coonan, Owner, Big Shoulders Coffee Works. “The loan reenergized our passion for this business and our commitment to opening in Chicago.”

After being unable to secure loans from traditional institutions, Mae Whiteside of Cheri K. Lewis Engineers connected with CNI through one of its affiliates, the Chatham Business Association. CNI provided Ms. Whiteside with a \$15,600 loan to start work on three new roadway improvement projects. One of these is currently underway and the other two are expected to start soon.

“This loan saved three civil engineering jobs in the Roseland Heights Community,” said Ms. Whiteside, “It helped me purchase software licensing and the plotters I needed to produce the roadway improvement plans.”

“Sometimes all a business needs is a little cash infusion. It can make all the difference to their success,” said Zuli Turner, Owner, Flecks Coffee, “We had unexpected plumbing work when doing our build-out that set us back in time and money. I don’t know what we would have done without the loan, which we used to purchase remaining equipment and inventory and provided a cash flow cushion. The loan helped us get over the goal line and open.”

The City announced this status report on the CMI initiative at the second meeting of the Small Business Advisory Council (SBAC). The SBAC, appointed by Mayor Emanuel in March, consists of local business leaders including entrepreneurs, Chamber of Commerce leaders, representatives from other small business agencies, and other leaders. The Council, headed by the Mayor’s Chief Small Business Officer Roxanne Nava, meets regularly to address the needs of small business owners throughout the City.

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