MONEY SMART for Small Business

Town Hall Webinar
Third Quarter 2017
August 24, 2017
2-3 PM ET
Welcome remarks by:

Lessie Evans
FDIC Washington DC
Community Affairs
Section Chief

Rachel Karton
SBA Washington DC
Office of Small Business Development Centers

Paola Diaz
FDIC Washington DC
Community Affairs Specialist
MSSB National Point of Contact

Submit your questions to “Panelists”
For troubleshooting: message “Joan Gustafson” or JGustafson@FDIC.gov or 1-866-900-1011
Rachel Karton, Program Manager

Office of Small Business Development Centers (OSBDC)

U.S. Small Business Administration
Small Business Development Centers (SBDCs)

36 year old program offering assistance to individuals & small businesses by providing a wide variety of information & guidance by trained advisors in central & easily accessible branch locations.

- Leverages academia & local economic development to support small business
- Primarily hosted by universities
- Focus on long-term counseling relationships
- Specialties include: loan packaging, disaster recovery, technology, exporting, and cyber expertise
Find a Small Business Mentor

www.sba.gov/local-assistance
Webinar Platform components:
1. Icon
2. Menu Bar
3. Chat Function
4. Q&A Function
5. Participants List
6. Panelist (Speakers) List
7. Typing window
8. “Send” to transmit your message
9. Poll
AGENDA

• Reminders

• Mark Allio, City of Central Falls, Rhode Island

• Manuel Battle, Rhode Island Small Business Development Center

• Claudia Cardozo, Coastway Community Bank, Rhode Island

• Leandro Freire, ACCION Rhode Island
Reminders

- MSSB Town Hall Meeting recordings
- Join the MSSB Alliance online
- MSSB Train-the-Trainer Curriculum
- Update of Banking and Credit Module

Download MSSB Modules and flyers in English and Spanish at:

https://catalog.fdic.gov/

Links to join alliance, recordings and more details at:

www.fdic.gov/moneysmart
Mark Allio - Background

- **Assistant Director - Planning and Economic Development, City of Central Falls**
- Director Workforce Training and Corporate Education, Center for Workforce and Community Education
- **Mass Small Business Development Center** Network’s Boston Regional Office & Minority Business Center at UMass Boston-Regional Director
  - Served 10,000+ entrepreneurs
  - Business counsel to 5,000+ entrepreneurs
  - Workshops+5,000 attendees: Getting Started in Business, Finance & Accounting Basics, and In Pursuit of Capital
  - Facilitated $27M+ in capital, 150+ start-ups, +1,100 jobs created/retained
  - Governmental sponsor, judge, and mentor for MassChallenge
- **Entrepreneur**: TracRac (manufacturer of automotive accessories), and Virtuous.com (e-ticketing service provider)
- **Non-Profit**: Senior roles- 3 Boston arts organizations
- MBA from Babson College, Wellesley, MA; BA, York University, Canada
Money Smart for Small Business in Central Falls, RI
Thanks And Acknowledgements

Other supporting organizations

- Broad Street Regeneration Initiative (City of Central Falls, Town of Cumberland, City of Pawtucket, and the Blackstone Valley Tourism Council)
- SBA- RI District Office
- Center for Women and Enterprise
- Urban Ventures
- The Financial Literacy Round Table (FLRT) of the Rhode Island Library Association (RILA)
- State of RI- Office of the Treasury- Empower RI- Smart Money Tour

Paul Horwitz & Paola Diaz
Manuel Batlle
Randy Sacilloto, Sandra Cano, Angie Rivera
Leandro Freire & Andrea Lerace
Claudia Cardozo
Rhode Island - All Bank Branches

Legend
- Bank Branch
- LMI Tract
- Minority Percent (%)
  - Less than 10%
  - 10% - 30%
  - 30% - 50%
  - 50% - 80%
  - Greater than 80%

City of Central Falls, Providence

LMI = Low and Moderate Income Communities

Sources: Federal Financial Institutions Examination Council (FFIEC) 2015
           FDIC Summary of Deposits 2015
City of Central Falls, RI - Socio-Economic Highlights

- Smallest city in smallest state (1.2 square miles)
- 20,000 residents, 400 businesses
- Densely populated
- **Majority-minority city**: 66% Latino, 50% immigrant, estimated 25% speak little or no English
- High rates of **unemployment**
- **Low rates per capita income** and homeownership
- “**unbanked**” community: 1 bank, 1 credit union, 3 payday loan providers, 12 “multi-service” agencies
- Filed for Chapter 9 **bankruptcy**
Small Business in Central Falls

• 400 businesses

• Core sectors
  o Retail- 27%
  o Hospitality- 22%
  o Professional Services- 36%
  o Manufacturing, construction, other- 15%

• Two main commercial corridors

• Challenges- attracting customers and dollars from outside; internet commerce, diversity of businesses, limited capital

• Opportunities- Train station, The Landing (recreation gateway), Broad Street Regeneration, Cultural branding, food & hospitality community, other
**MSSB Program Advantages**

- **Fills gap** between personal financial and business literacy
- **Free Federal** government-supported curriculum with network and **resources**
- Modules can be delivered as **series or stand-alone**
- Available in **Spanish**
- **Train-The-Trainer**
- **Customizable** Program and marketing tools: instructor guide, participant guide, slides, surveys, flyers
- Good instructional design: Trainer and student guidance, real-life case studies, interactivity, pre- and post-program self-assessment, and self-directed additional exercises
- Allows for incorporation of **subject matter experts**, panels, other
MSSB Delivery Methodology

- **Strategic partnerships** - essential for success: engaged host, knowledgeable trainers, marketing resources

- **Competition** - limited financial literacy offerings, some episodic offerings; state, non-profit, other resources; only 4 MS Alliance members in RI to date

- **Program details** - monthly; Spanish/English together (initially separate), workshop order changed; 1.5 hours, start time-6PM weekdays (Weds)

- **Trainers** - SBDC advisors (national network), trained in facilitation of capital; typically experienced business owners and bankers. Other resources include:
  - SBA resource partners (CWE, SCORE), and other state and local agencies
  - Community banks and alternative lenders
  - Other agencies/non-profits
  - Professional service providers

- **Marketing** - monthly flyers, peer network e-blasts, City weekly e-blast, Facebook page, Eventbrite registration and link; follow-up e-mails to past registrants with PDFs

- **Metrics** - number of registrants, number of attendees, # of serial attendees, # of new RI SBDC clients, loans facilitated
# MSSB Curriculum: Order of Modules

FDIC Smart Money
City of Central Falls, RI SBDC, Navigant

<table>
<thead>
<tr>
<th>Listed Order</th>
<th>Suggested Order</th>
<th>Priority</th>
<th># Slides</th>
<th>Money Smart For Small Business (English and Spanish)</th>
<th>FDIC Notes</th>
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<td>Is Owning a Business a Good Fit For You</td>
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<td>47</td>
<td>Risk Management</td>
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<td>12</td>
<td>C</td>
<td>34</td>
<td>Time Management</td>
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<td>Special - Spreadsheets</td>
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<tr>
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<td>A</td>
<td>TBD</td>
<td>Special - Finance Software/Intuit/Other</td>
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Other possible programs

**MSSB Train The Trainer**

Money Smart For Adults
Money Smart For Young People (12-20)- 8 modules
Money Smart For Older Adults (English and Spanish)
Money Smart for Children
Money Smart for Elementary School Students (Pre-K-2)
Money Smart for Elementary School Students (Grades 3-5)
Money Smart for Elementary School Students (Grades 6-8)
Money Smart for Elementary School Students (Grades 9-12)
Who can participate?
Anyone who wants to gain a basic understanding of how to better manage their finances, including prospective and existing small business owners.

When and where is it offered?
One of 13 modules every month starting in May. Classes will be taught in English and Spanish. Navigant Credit Union is co-sponsoring and hosting the program in its community room located at 693 Broad Street in Central Falls.

Do I need to be a Central Falls resident or business owner to participate?
We welcome participants from anywhere, especially our neighboring towns of Pawtucket and Cumberland.

Is there a cost or fee?
There is no charge for these classes. You can attend one, two, or all 13! We are grateful to Navigant Credit Union and the RI SBDC for co-sponsoring this program.

How do I sign up?
There are materials associated with each class, and we would appreciate you registering in advance. Just contact Mark Allio at the City of Central Falls for classes in English, or Manuel Batlle, Director of Diverse Business Outreach, RI SBDC, for classes in Spanish.
Money Smart for Small Business
Financial Education Curriculum

The Modules

- Is Owning a Business a Good Fit for You? Know your strengths
- Planning for a Healthy Business Start-up: from plan to reality
- Banking Services designed for small businesses
- Organizational Types and roles of business structures
- Time Management tips to make you more efficient
- Financial Management and understanding this critical practice
- Recordkeeping as a managerial tool
- Financial Analysis
- Credit Reporting demystified
- Risk Management planning for what you can and cannot control

Module Three: Organizational Types

- ‘Organizational Types’ analyzes the most common at the end of the module. Entrepreneurs will:
  - Know that the legal structure of a business determines liability
  - Distinguish the general characteristics, advantages, and disadvantages types:
    - Sole proprietorship
    - Partnership
    - Limited liability company
    - C-corporation
    - S-corporation
- It may be best for...

When: Wednesday 6/9/17, 6-7:30PM
Where: Navigant Credit Union, 883 E. building in large room.
Instructors: Mark R. Allen, Assistant Director, Central Falls Mutual Banc, Central Falls.
Registration: Visit Eventbrite.com or call 401-616-2452.

Money Smart para pequeños negocios
Un Programa de Educación Financiera

Los Módulos

- MONEY SMART PROGRAM TIPS FOR ORGANIZING
- Las compañías en los primeros años de desarrollo de negocios, especialmente aquellas que tienen actividades de alto riesgo, pueden ser vulnerables a la devaluación de sus valores. Las etapas de desarrollo en la organización de prevención del riesgo son cruciales para el éxito de una empresa.
- La participación activa de los empleados en el programa de prevención del riesgo ayuda a fomentar una cultura de seguridad en el lugar de trabajo. Esto puede incluir el uso de herramientas de prevención del riesgo, como la formación en primeros auxilios y la capacitación en medidas de seguridad.

When: Wednesday 6/9/17, 6-7:30PM
Where: Navigant Credit Union, 883 E. building in large room.
Instructors: Mark R. Allen, Director, American Association for Development of Small Business
For more information visit www.ffiec.gov/moneysmart
Summary and Suggestions

• Math and money management are essential life skills
• Entrepreneurial dreams are best tempered with practical realities
• Self-employment should be considered carefully
• Understanding current financial position and the role of government and lenders helps calibrate expectations for all
• Entrepreneurial and financial literacy training are related but different; the Cs of Credit are a crucial link
• Forms of organization, tax liability, and personal/business obligations requires reinforcement
• Financial management software part of the landscape; basic forecasting and spreadsheet skills recommended
• It takes a village to put forth a successful program
• Money Smart serves as a great platform for helping your community and target audiences
Manuel J. Batlle

- Providence Center Director
- MBA & CGBP
- Bilingual Spanish/English
- Serial entrepreneur
- C-level managerial experience with Fortune 500 companies
Funded in part through a cooperative agreement with the U.S. Small Business Administration. SBDCs are a program supported by SBA and extended to the public on a non-discriminatory basis. SBA cannot endorse any products, opinions, or services of any external parties or activities. By contacting our office and requesting at least two weeks in advance, every attempt will be made to reasonably accommodate persons with disabilities and those who need translation services.
Overview

• Who we are
• What we do
• How we do it
• Impact
• Why MSSB?
• MSSB @ RISBDC
• With the Latino Community
Who we are

- Housed at the University of Rhode Island
- In Rhode Island since 1982
- Part of national network
- Staff of seven
- Work closely with SBA and numerous resource partners
How we do it

• One-on-one counseling
• Seminars & workshops
• All types & sizes of small businesses
• Outreach locations across Rhode Island
• Full time and hourly specialized staffing
• Straightforward, unbiased assessments
• Business planning
• Financial projections
• Business assessment
• Marketing
• Recordkeeping
• Many other areas
Impact & Client Satisfaction

• 403 Clients in 2016
• 90% would use RISBDC services in the future
• 92% would recommend the RISBDC to others
• $4.6 million in capital formation
Impact & Client Satisfaction

2017

• Developed financial projections from feasibility study and STR report

• 52.7 counseling hours

• $10,600,000 financing
  • $2,711,000 SBA 504 loans
  • $7,889,000 Bank Loans
Why MSSB?

• Available in English & Spanish
• Excellent collateral materials
• Tailored for different audiences (Small business, Adults, Young People, Older Adults)
• Flexibility
• Free
Money Smart for Small Business at the

- Sessions in English and Spanish
- Now sessions are held simultaneously in English and Spanish
- It is a conversation, not a translation
- Classes are held once a month
- Presented as “stand alone” modules
2016:
• 59 Hispanic clients: 194 sessions and 292 counseling hours
• 72 hours of workshops in Spanish

2017 (1/1/17 trough 7/31/2017):
• 48 Hispanic clients: 122 sessions and 166 counseling hours
Success Story: Reymond's Brothers Tailor Shop & Laundromat

- First Session: 8/28/2015-Present
- 31 Sessions
- 69.5 Hours
- Value Added Service: $52,125
- Community Advantage Loan & Providence Business Loan Fund
Outcome
Thank You
Questions and Answers for:

SBA

FDIC

City of Central Falls

Small Business Development Center

Submit your questions to “Panelists”
Paola Diaz or Joan Gustafson
Coastway Community Bank

“Community is woven into the fabric of our company culture”

www.coastway.com
Community Development Manager

Your Community Liaison

About Claudia

A native of Colombia who made Rhode Island her home in 2002, Claudia Cardozo joined the Coastway team in 2015 in the role of Community Development Manager. She is an economic development professional with over 10 years of experience assisting small business in Rhode Island. Her work experience also includes insurance and microfinance.

Claudia was named the 2010 Minority Small Business Champion of the Year by the Small Business Administration, and in 2013, RI Latino Public Radio recognized her with an Outstanding Achievement Award for her contributions to the Latino business community. She also received the Ronald McDonald House Community Service Award in 2014.

Claudia Cardozo
Community Development Manager
(401) 330-1688
ccardozo@coastway.com
Our History

1920: Telephone Workers’ Credit Union, later renamed Coastway, is founded.

1954: Warwick Credit Union, later renamed Ocean State, is founded.

2000: Coastway and Ocean State Credit Unions merge.

2009: Coastway changes its charter to a Community Bank.

2012: Coastway forms a Mutual Holding Company to allow for further growth.

2014: Coastway Bancorp goes public in an initial public offering on the NASDAQ.
Coastway in the Community
# Coastway Financial Educators

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<tr>
<th>Location</th>
<th>Financial Educator</th>
<th>Address</th>
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<tbody>
<tr>
<td>Cranston East</td>
<td>Michael Medici</td>
<td>1155 Reservoir Avenue, Cranston, RI 02920</td>
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<tr>
<td>Cranston West</td>
<td>Chris Sicard</td>
<td>200 Comstock Parkway, Cranston, RI 02921</td>
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<tr>
<td>East Greenwich</td>
<td>Symphony Ashley</td>
<td>5750 Post Road, East Greenwich, RI 02818</td>
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<tr>
<td>East Providence</td>
<td>Joanne Donahue</td>
<td>2830 Pawtucket Avenue, East Providence, RI 02915</td>
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<tr>
<td>Lincoln</td>
<td>Sira D'Arpino</td>
<td>618 George Washington Hwy, Lincoln, RI 02865</td>
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<tr>
<td>Providence</td>
<td>Jane Kratsch</td>
<td>180 Washington Street, Providence, RI 02903</td>
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<tr>
<td>Warwick (Cowesett)</td>
<td>Robin Mishler</td>
<td>3830 Post Road, Warwick, RI 02886</td>
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<tr>
<td>Warwick</td>
<td>Karen Gorski</td>
<td>2089 Warwick Avenue, Warwick, RI 02889</td>
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Financial Education Partnership Development

Comprehensive Community Action Program (CCAP)
- 2017 Youth Summer Program
- Financial Education Classes
- 170 youth reached, ages 14-18

Millennial Rhode Island
- Credit, Budgeting, Homeownership

RISBDC – Primer Paso Program
- Sponsored 2 cohorts: 2016-2017
- Upcoming cohort Fall 2017
Coastway Youth Internship

‘Beyond the Teller Line…’

An **Youth Internship Program** that exposes high school youth to many aspects of retail banking through shadowing banking professionals and allows them to be engaged in the development and delivery of a financial education class.

Students come referred from **Young Voices**, an after school program for inner youth that empowers them to become confident civic leaders and advocates in their communities.
Empower by Coastway Youth Curriculum
Primer Paso – Credit & Access To Capital Curriculum

- MS Adults ‘To Your Credit’
- MS Adults ‘Borrowing Basics’
- MSSB ‘Banking Services’
- MSSB ‘Credit Reporting’
Leandro Freire, MBA
Senior Consultant
Accion: A safe & affordable alternative lender

Note: Logos are intended to serve as illustrative market examples only.
Options for small business owners

How can I fund my business?

Friends, Family & Crowd-Funding
Credit Cards
Accion Microloans
Bank SBA Loans
Equity & Investments

Typical Stages of Small Business Financing

*Credit cards, Microloans and Bank Loans build a credit history.*
Accion: we stand by every small business owner

Flexible Requirements
- Limited credit or financial docs, Established biz in high-risk industries, Start-up < two years in business.

Trusted & Affordable Products
- SBA certified w/ 25 years experience, Over 500,000 small biz nation-wide, Transparent products with no pre-payment penalty.

Access to High-Profile Partnerships
- Access to best minds and resources in the industry like Sam Adams, Tory Burch, & the SBA.

Free Small Business Consulting
- One-on-one consulting, In-depth financial analysis, Future access to traditional financing.

Small Business Community Lender*

* SBA certified, CDFI by the US treasury, nonprofit 501(c)3
Our Goal is Financial Inclusion...

Client Breakdown

- **Gender**
  - 60% Male
  - 40% Female

- **Industry**
  - 50% Services
  - 13% Retail
  - 11% Food & Beverage
  - 7% Wholesale
  - 6% Arts, Media & Education
  - 5% Transportation
  - 5% Beauty & Salon
  - 1% Manufacturing

- **Ethnicity**
  - 44% Latin American
  - 25% Multi-Ethnic, Other, & Unknown
  - 21% Caucasian
  - 10% African & African American

- **Location**
  - 43% New York & New Jersey
  - 29% Florida
  - 14% New England
  - 6% Midwest/Central
  - 5% Atlantic Coast
  - 2% Pacific Coast

*Based on 2013 Accion clients*
...and Community Impact

**JOBS**

- **3.7**
- Jobs created and sustained with each Accion loan

**CREDIT SCORE**

- **50**
- Average increase in credit score after a client’s first Accion loan

**SUSTAINABILITY**

- **95%**
- Borrowers who keep their businesses open after a loan from Accion

**HOUSEHOLD**

- **79%**
- Clients who report that their business stabilizes or improves their household

**TAKE-HOME PAY**

- **23%**
- Growth clients see in take-home pay after a loan with Accion

**INCOME**

- **66%**
- Clients who report satisfaction with income earned from their business
Success Stories

“Accion was the launching point for my success. If Accion hadn’t given me the money, I wouldn’t have been able to continue.”

Gilson de Oliveira, Solon Palace LLC

“I always had higher goals for myself. I wanted to be self-employed and independent.”

Marcela Siders, Siders Skin Care

Natasha Wozniak, Natasha Wozniak Designs
Questions and Answers for:

- SBA
- FDIC
- City of Central Falls
- Small Business Development Center RI
- Coastway Community Bank
- ACCION Rhode Island

Submit your questions to “Panelists”
Paola Diaz or Joan Gustafson
Contact Info:
Paola Diaz
Senior Community Affairs Specialist, FDIC
pdiaz@fdic.gov  202-898-7184

Or

Your Community Affairs contacts nationwide at:

www.fdic.gov/communityaffairs

For more information go to:
www.fdic.gov/moneysmart
www.sba.gov/moneysmart