



MONEY SMART

for Small Business

Town Hall Webinar

Third Quarter 2017
August 24, 2017
2-3 PM ET



MONEY SMART for Small Business

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)*



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



Local Assistance

Feedback

Exit Tool

SBA.gov

SBA works with a number of local partners to counsel, mentor, and train small businesses.

SBA District Office ?

SCORE Chapter ?

Small Business Development Center ?

Women's Business Center ?

U.S. Export Assistance Center ?

Veteran's Business Outreach Center ?

Certified Development Company ?

Disaster Field Office ?

Enter your zip code or click on the map to connect with your local SBA district office and other resources in your area.

Enter Zip

Distance:

25 miles

SUBMIT

Code:



The screenshot shows the Cisco WebEx Event Center interface. At the top, the title bar reads "Cisco WebEx Event Center". Below it is a menu bar with "File", "Edit", "View", "Communicate", "Participant", "Event", and "Help". The main content area is divided into several sections: "Event Info" (with "MSSB_TownH..." selected), a toolbar with icons for chat and Q&A, a "Participants (69)" list (showing NB N Bishop, AW Angela Wu, MB Manuel Battle, MA Mark Allio), and a "Q&A" section. The Q&A section has a sub-section "All (0)" and a text input area with a "Send" button. A "Recording" indicator is visible in the bottom left corner, and a "Connected" status is in the bottom right.

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

[Poll Questions will be in this area]



**MONEY
SMART**
for Small Business

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



**MONEY
SMART**
for Small Business



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



Paul Horwitz & Paola Diaz



Manuel Batlle



Randy Sacilloto, Sandra Cano,
Angie Rivera



Leandro Freire & Andrea Lerace



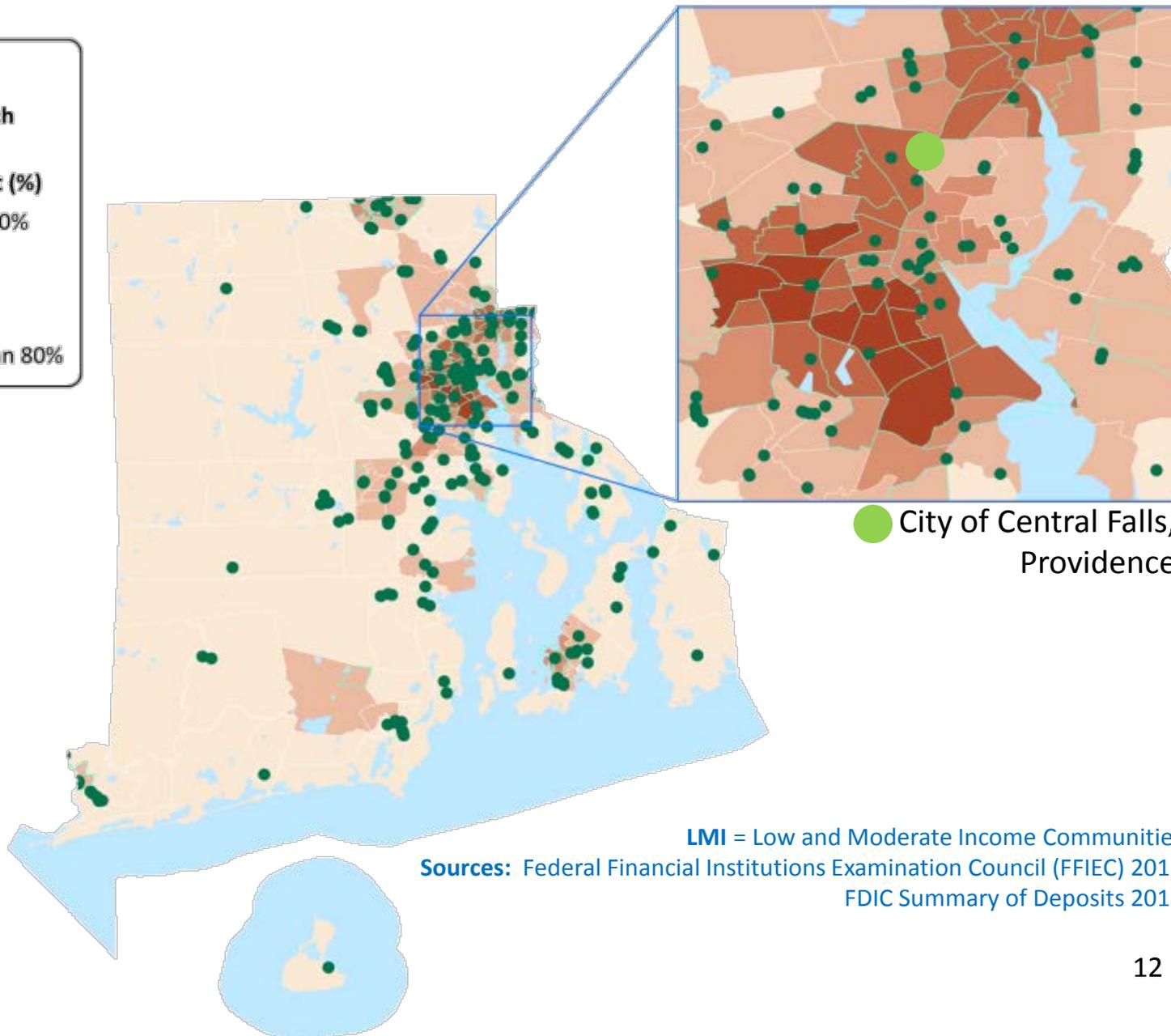
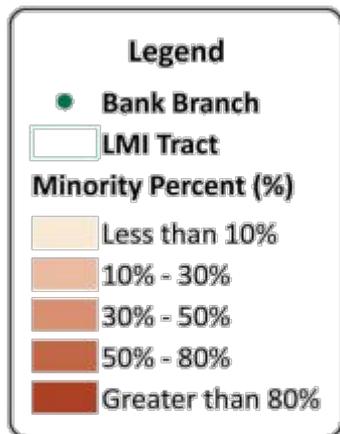
Claudia Cardozo

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



Rhode Island - All Bank Branches



● 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
 - Retail- 27%
 - Hospitality- 22%
 - **Professional Services- 36%**
 - 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						
Listed Order	Suggested Order	Priority		# Slides	Money Smart For Small Business (English and Spanish)	FDIC Notes
5	1	A	Feasibility	21	Is Owning a Business a Good Fit For You	New- Recommended to start
8	2	A	Feasibility/Strategy	23	Planning for a Healthy Business	New- Recommended to start
7	3	A	Feasibility	19	Organization Types	
12	4	A	Feasibility	19	Tax Planning and Reporting	
1	5	A	Finance	32	Banking Services	
4	6	A	Finance @ Accounting	41	Financial Management	
3	7	A	Finance	39	Credit Reporting	
2	8	A	Finance @ Accounting	21	Managing Cash Flow	New
6	9	B	Management	32	Insurance	
9	10	B	Management	29	Record Keeping	
10	11	C	Management	47	Risk Management	
11	12	C	Management	34	Time Management	
13	13	B	Strategy	25	Selling a Small Business Succession Planning	
N/A	6B	A	Finance @ Accounting	TBD	Special - Spreadsheets	
N/A	6C	A	Finance @ Accounting	TBD	Special - Finance Software/Intuit/Other	

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)



MSSB Messaging

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.



MSSB: Bilingual Flyer



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 pros and cons of business structures
- Time Management tips to make you more efficient
- Financial Management understanding this critical practice
- Recordkeeping as a managerial tool
- Credit Reporting demystified
- Risk Management planning for what you can and cannot control

Money Smart for Small Business provides a practical introduction to the everyday tasks of starting and managing a business. Developed by the Federal Deposit Insurance Corporation (FDIC) and the U.S. Small Business Administration, this instructor-led curriculum consists of 13 modules.

Module Three- Organizational Types

"Organizational Types" analyzes the most common legal structures. At the end of the module, entrepreneurs will:

- Know that the legal structure of a business determines how it is taxed
- Distinguish the general characteristics, advantages and disadvantages of the most common organizational types:
 - Sole proprietorship
 - Partnerships
 - Limited liability company
 - C-corporation
 - S-corporation
- Understand that it may be best for... Companies in early stages of business development to remain unincorporated and may be confused by the statistics show that the majority of small business owners need to understand how to choose the right structure.

When - Wednesday 8/9/17, 6-7:30PM

Where - Navigant Credit Union, 693 Broadway, 3rd floor building in large rear lot.

Instructors - Mark R. Allio, Assistant Director of Economic and Business Development, Central Falls / Manuel Battle, Director of Economic and Business Development, el Desarrollo de Pequeñas Empresas, Central Falls

To Register - via Eventbrite goo.gl/vPo15A or contact: mallio@centralfallsri.us or 401-616-2482

• This module will be taught in both English and Spanish



Money Smart para pequeños negocios Un Programa de Educación Financiera

Los Módulos

- ¿Es ser dueño de un negocio, una buena opción para usted? Conozca sus destrezas
- Planeando un Negocio Próspero, lanzamiento de la empresa "del plan a la realidad"
- Servicios bancarios: diseñados para pequeños negocios
- Tipos de organización: ventajas y desventajas de las estructuras de negocios
- Administración del tiempo: sugerencias para aumentar la eficiencia
- Administración financiera: comprensión de esta práctica crucial
- Administración de registros: como herramienta gerencial
- Información crediticia: desmitificados
- Administración de riesgos: planificación para lo que se puede y no se puede controlar
- Seguro: opciones para negocios
- Planificación y declaración de impuestos: comprensión sobre los impuestos y su negocio

Money Smart para pequeños negocios proporciona una práctica introducción a las tareas cotidianas de la gestión y del inicio de un negocio. Desarrollado conjuntamente por la Federal Deposit Insurance Corporation (FDIC) por sus siglas en inglés) y la Agencia para el Desarrollo de la Pequeña Empresa. (SBA por sus siglas en inglés) este programa de capacitación está diseñado para ser facilitado por un instructor y el currículo consta de 13 módulos.

El módulo tercero, Tipos de organización

"Tipos de organización" analiza las entidades o estructuras jurídicas más comunes. Al final del módulo, los empresarios:

- Sabrán que la estructura legal de una empresa opera y como está gravada en los impuestos
- Distinguir las características generales, ventajas y desventajas de los tipos de organización:
 - Proprietario único
 - Asociaciones
 - Compañía de responsabilidad limitada
 - C-corporación
 - S-corporación

Puede ser mejor para: Las empresas en las primeras etapas de desarrollo de negocios, especialmente aquellos que aun no han incorporado y puede ser confundido por los riesgos y beneficios de cada tipo de organización. Las estadísticas muestran que la mayoría de las pequeñas empresas operan como empresas individuales. Los propietarios de negocios necesitan entender como protegerse a si mismos y sus activos comerciales.

Cuando: Miércoles 8/9/17, 6-7:30PM
Donde: Navigant Credit Union, 693 Broad Street, Central Falls, RI 02863. (Parquear en la parte trasera).

Instructores: Mark R. Allio, Director Asistente de Desarrollo Económico y Planificación, City of Central Falls / Manuel Battle, Director Regional de la Oficina de Providence del Centro para el Desarrollo de Pequeñas Empresas (RI SBDC) de la Universidad de Rhode Island (URI).

Inscribirse: via Eventbrite goo.gl/vPo15A o mallio@centralfallsri.us o 401-616-2482 / mjbattle@uri.edu o 401-490-0378.

*Este módulo se impartirá en inglés y español!

Venta del negocio y planificación de la sucesión: desarrollar una estrategia de salida para su negocio

Administrando el flujo de efectivo: Prácticas soluciones para resolver problemas.



Para más información visite www.fdic.gov/moneysmart



FDIC-005-2016





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



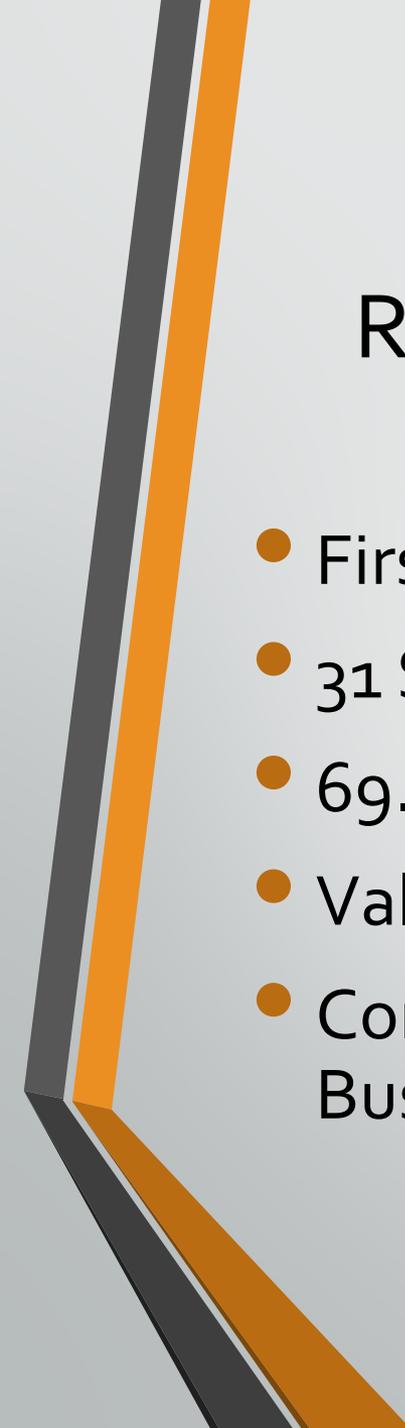
With the Latino Community

2016:

- 59 Hispanic clients: 194 sessions and 292 counseling hours
- 72 hours of workshops in Spanish

2017 (1/1/17 through 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



THE
UNIVERSITY
OF RHODE ISLAND
DIVISION OF RESEARCH
AND ECONOMIC
DEVELOPMENT



MONEY SMART for Small Business

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 Liason

 En Español

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.

2000: Coastway and Ocean State Credit Unions merge.

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

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

2009: Coastway changes its charter to a Community Bank.

2014: Coastway Bancorp goes public in an initial public offering on the NASDAQ.

Coastway in the Community



Coastway Financial Educators

Cranston East



Financial Educator:
Michael Medici

1155 Reservoir Avenue
Cranston, RI 02920

Cranston West



Financial Educator:
Chris Sicard

200 Comstock Parkway
Cranston, RI 02921

East Greenwich



Financial Educator:
Symphony Ashley

5750 Post Road
East Greenwich, RI 02818

East Providence



Financial Educator:
Joanne Donahue

2830 Pawtucket Avenue
East Providence, RI 02915

Lincoln



Financial Educator:
Sira D'Arpino

618 George Washington Hwy.
Lincoln, RI 02865

Providence



Financial Educator:
Jane Kratsch

180 Washington Street
Providence, RI 02903

Warwick (Cowesett)



Financial Educator:
Robin Mishler

3830 Post Road
Warwick, RI 02886

Warwick



Financial Educator:
Karen Gorski

2089 Warwick Avenue
Warwick, RI 02889

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...’

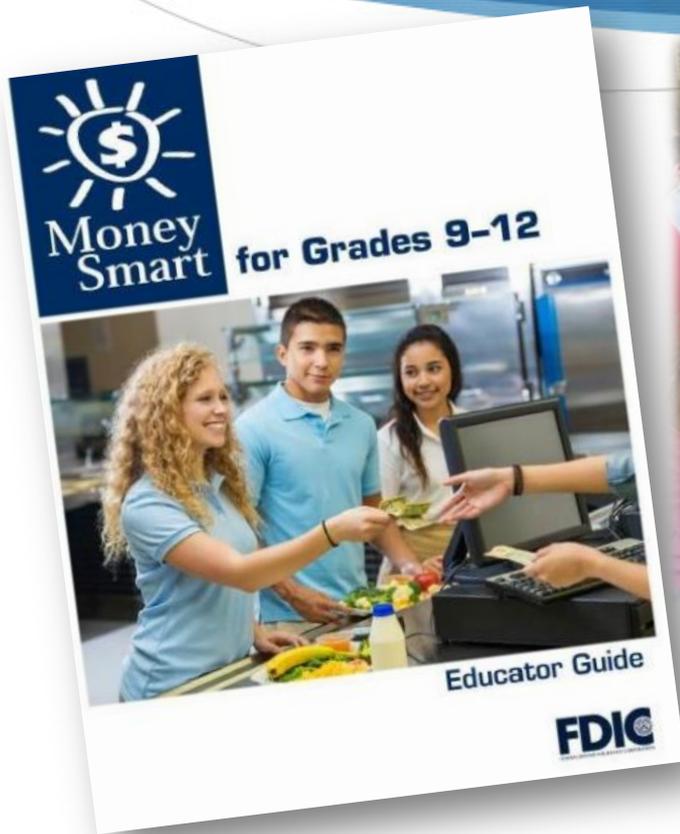
An **Youth Internship Program** that exposes high school youth to many aspects of retail banking through shadowing banking professionals and allows them to be engaged in the development and delivery of a financial education class.



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

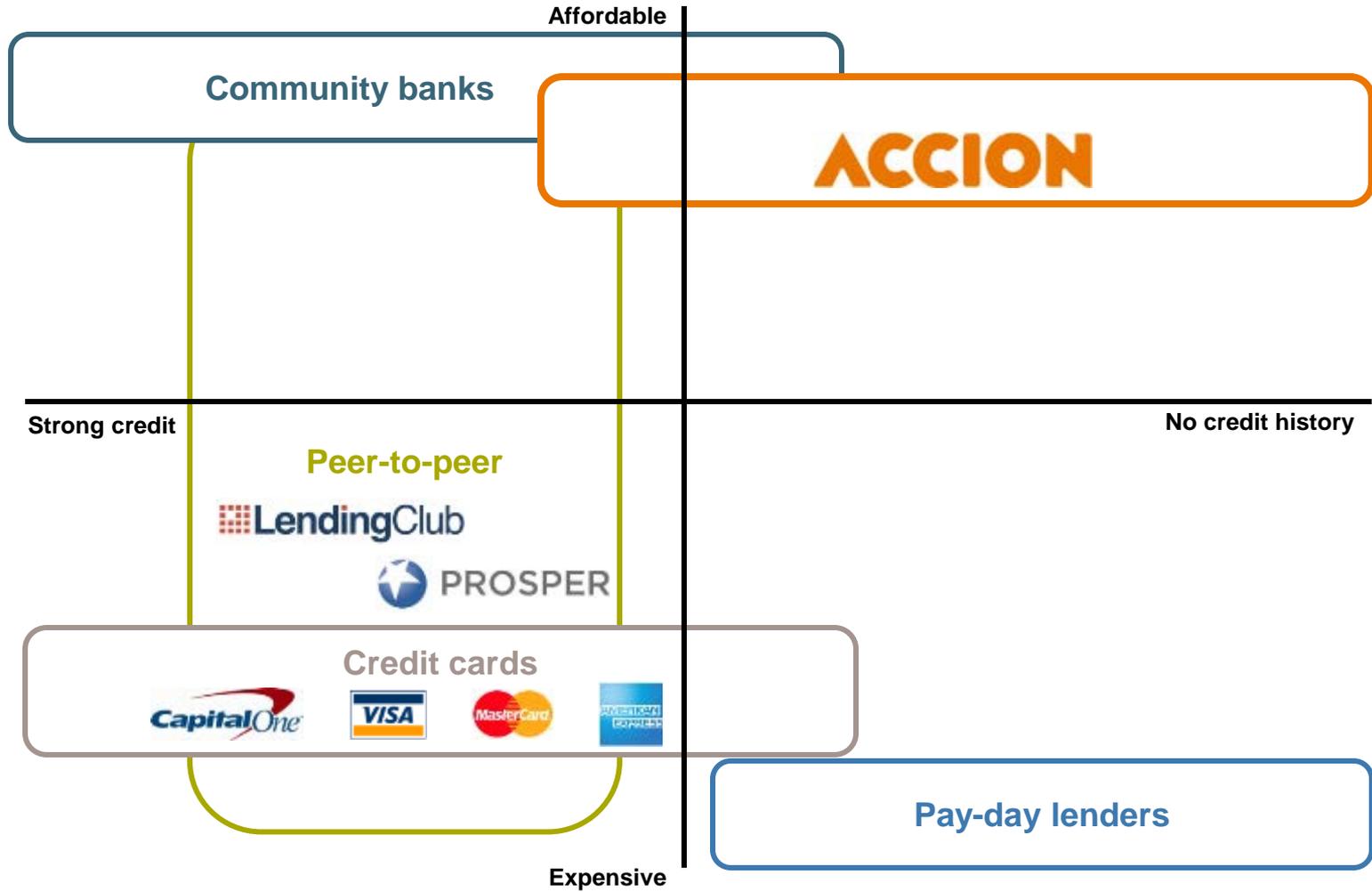


- MS Adults 'To Your Credit'
- MS Adults 'Borrowing Basics'
- MSSB 'Banking Services'
- MSSB 'Credit Reporting'

Leandro Freire, MBA
Senior Consultant

ACCION

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.

Small Business
Community
Lender*

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.

* 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



Natasha Wozniak, Natasha Wozniak Designs



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

Marcela Siders, Siders Skin Care



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

Gilsolon de Oliveira, Solon Palace LLC

MONEY SMART for Small Business

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



**MONEY
SMART**
for Small Business

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