

THE NEED: Beginning in 2008, the US and much of the world was experiencing the negative economic impact of The Great Recession. According to the Census Bureau report issued in September 2011, nearly 1 in 6 Americans were living in poverty – the highest rate in 50 years. The recession had hit low-income and low-educated sections of the population hardest. Bill Buratto, CEO of the Ventura County California USA Economic Development Association stated, “It boils down to finding a way to stimulate job growth. At this stage in the game, it’s not going to be fueled by the government sector....Job growth will depend on the private sector”.

THE PROJECT: In 2012, the Rotary Club of Simi Sunrise, California USA was awarded the first Rotary Foundation microfinance grant performed in a developed country. The grant was financially supported by eleven Rotary districts and had a value of US\$240,476. It was focused on building the financial competency of low income Hispanic women living in Ventura and Santa Barbara Counties, California, USA, enabling them to open and/or increase the stability of their small businesses, and giving them a sustainable means of increasing their standard of living and that of others around them.

The grant had three components – outreach to the Hispanic community; creation of a Spanish language self-employment training curriculum that would be used to educate the target population; and a revolving loan fund. The grant was administered with Rotarian involvement and oversight by Women’s Economic Ventures a non-profit organization with a 25 year track record of providing small business training, technical assistance and micro loans.

Outreach: The grant partially funded a bilingual Loan Fund Program Specialist who created a program of community outreach including free, one-hour group orientation sessions to help potential beneficiaries assess their readiness for self-employment and to choose the program(s) that best suited their needs.

Education: The grant funded *Pasos Basicos para Comenzar un Negocio* a 6-week self-employment Spanish language training course to help beneficiaries determine if they were ready to start a business. *Capacitación Empresarial* is a Spanish language program developed with funds from the grant. It helps beneficiaries/clients write a business plan and start or formalize a small business. The training covers self-assessment, business feasibility, marketing, finance, operational and personnel management and business-planning.



Revolving Loan Fund: The Revolving Loan Fund had an initial value of \$US 120,000, When the grant was closed in July 2016 it had supported loans totaling US\$251,579.

COMMUNITY IMPACT:

- **US\$251,579 Loaned**
- **21 Businesses Supported**
- **98.3% Repayment Rate**
- **Community Impact: \$3,000,000 per year**

FOR MORE INFORMATION:

Visit the RAGM website: www.ragm.org

Contact: Nick Frankle – nickdg1617@earthlink.net

"Traditional banks were not an option for me as they only looked at numbers on paper, however, Women's Economic Ventures took the time to break things down and look at my finances on a personal level as well as get to know more about my business." Reyna Chavez



Meet Reyna Chavez, a young Hispanic woman living in Ventura, California with two young children. She was the beneficiary of business support and a microcredit loan made possible by a Rotary Matching Grant, the first microfinance grant approved for a developed nation. Rotary, the partnership of Rotary clubs with Women's Economic Ventures (WEV), and Reyna's own creativity changed her life. This is her story.

Reyna, raised by a single mom from Mexico, is the youngest of five children. In 2011 Reyna was working in the medical field. When she set out to buy new scrubs she found that shopping locally one store had too high of prices, another had poor customer service, and the third had limited selection. This was a problem and other workers probably shared her problem. She believed hard-working medical professionals needed a convenient way to shop for unique and affordable uniforms.

Then a lightbulb came on - an idea that would set the change in her life in motion. Reyna found that other workers did share her problem. She began dreaming of opening her own business.

Reyna's business, **Scrubs on the Run**, started small as mobile business. She began by traveling to local clinics and selling scrubs from her SUV. Her idea caught on. Her business was filling an unmet need in the community. Being a mother of two young children, one having special needs, working an 8-5 job was becoming more difficult. She was concerned she'd soon be unemployed due to her family needs. As the business grew, she decided to open a retail location. She didn't have sufficient capital to do that so she downsized her home, cut back on personal spending, and relied on credit cards for financing. The need for additional inventory prompted her to apply for a bank loan. She was denied.



In 2014, Reyna came to WEV for a loan to replenish her inventory. She heard radio ad and about Women's Economic Ventures and their loan program. She got the loan and joined the "Thrive in Five" program which gave her the kind of support she needed to help her business expand. The WEV loan funded by the Rotary Matching Grant, allowed Reyna to quit her full-time job so she could focus completely on her business and family. It also helped her hire her first part-time employee. Today she has three employees and continues to expand her product offerings.

Reyna's journey to fill a niche in the community started with her idea in 2011. When Women's Economic Ventures and the microfinance loan made possible from The Rotary Foundation joined with Reyna, all of the elements for success came together. On May 12, 2016 she was honored as the WEV Entrepreneur of the Year for 2015.

Today, with the help of another WEV loan she has two locations, 3 employees, and the business continues to grow. And still, she's unable to secure traditional financing.

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