

JPMorgan Chase, LiftFund offer capital to women-, minority-owned businesses

The Advocate – October 11, 2016 -Minority- and women-owned small businesses in Louisiana will be able to get access to loans in a few days rather than weeks under a new LiftUP loan program organized by JP Morgan Chase & Co. and LiftFund.

JP Morgan Chase is providing \$4.6 million to the not-for-profit's loan program. The funds will go to small businesses in Louisiana, Texas and Georgia. LiftFund will reduce the approval time for this type of loan from an average of 5 weeks to 4 days.

"This grant from Chase allows us to continue the work that we've been doing for the last 22 years," LiftFund President and Chief Executive Officer Janie Barrera said. "As a not-for-profit organization we are a financial institution without depositors. We're not a bank, so we have to rely on people who believe in the mission and want to either provide us with grants or investments."

LiftFund's status means it can make loans to small business people whose credit scores would prevent them from getting a conventional loan, Barrera said. Banks want to make the loans but regulations prevent them from doing so.

LiftFund expands the financing box, so to speak, she said. But borrowers still have to repay the loan, and 96 percent do.

This is JPMorgan Chase's second round of funding for the program. In 2011, JPMorgan Chase provided \$5 million to LiftFund, then called Accion Texas, to increase lending in Louisiana and Texas. The grant allowed the not-for-profit to make more than 2,500 loans over three years. The money helped

minority and women entrepreneurs create or retain an estimated 5,000 jobs.

In total from 2010 to 2015, LiftFund made almost \$11 million in loans to Louisiana businesses, which created 1,495 new jobs that paid an average of \$46,860. From 2009 to 2015, LiftFund made 338 loans totaling \$3.7 million to New Orleans businesses. In Baton Rouge, the not-for-profit provided 186 loans totaling \$2 million.

Small businesses are considered a key to creating jobs and opportunity. But small business owners live month-to-month, according to the JPMorgan Chase Institute, with an average of 27 days of cash reserves on hand.

“Increasing access to capital is vital to the success of small businesses – and to the economic growth of our communities,” Ken Sample, credit risk director for central Texas region at JPMorgan Chase and longtime LiftFund board member, said in a news release.

U.S. Small Business Administration Regional Administrator Yolanda Garcia Olivarez said the loan announcement is good news.

“We’re very excited, we’re very enthusiastic about trying to provide these dollars to the right folks in the various prospective districts that the LiftFund will cover for women-owned businesses,” Olivarez said.