

Latino Microfinance: Ten Years of Lessons Learned

MicroBusiness Mentors

Warner Woodworth

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Lend for America Conference



MicroBusinessMentors
dream big • start small



Business Model

A business-training and microfinance organization dedicated to helping low-income members of Utah Valley progress towards economic self-reliance



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MBM History

Addressing the growing issue of Latino immigration

Confronting poverty

10 years of survival and success

Evolution from start-up to maturity

Ups and downs of ensuring impacts



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Why Seek Hispanics?

Huge influx of immigrants to Utah

Unable to get jobs in the formal economy

Many are impoverished...viewed as
“unbankable”...can’t get loans

Lack ID, credit history, collateral, etc.

Needs: Jobs, stability, security



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Environment



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MBM Services



Business Training



Group Support



Loans



Mentoring

Graduation



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A Personal Case:

Maria Esther & other Utah clients receive training,
\$500 loans, ongoing mentoring & consulting



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Director of Partnerships

PARTNERSHIPS

Director of Marketing

OUTREACH

Administration:

President

Director of HR

Events Coordinator

Director of Finance

Accounting Clerks

TRAINING

Director of Onboarding

Director of Training

English & Spanish Trainers



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Challenge 1: Finding Clients

- Recruit at Latino community events, fiestas, etc.
- Build relationships with Hispanic organizations such as *mercados*, Centro Hispano, Boys & Girls Clubs, language classes, Head Start, etc.
- Get our stories into Spanish newspapers and social media



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Challenge 2: Finding and Keeping MBM Volunteers

- Utilize finding formula
- Getting student volunteers to creatively commit time
- Set three fixed tasks and promote free creativity



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Challenge 3: Obtaining Loan Capital

Initial loan monies from individuals

Next, made the case to American Express

Then to credit unions

Finally to community banks



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Other Challenges

- Dealing with volunteer transitions/turnover
- Adding to our offering
 - Financial literacy classes
- Giving mentor skill set for the workplace
 - Improve mentor training
- Building Financial Sustainability
 - No perfect solution yet



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Volunteer Solutions

Write a letter of engagement to secure commitment and clarity for volunteers

Create and maintain a succession program, with the necessary tools to prepare the incoming volunteers for their responsibilities



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Finding Clients Formula

- Find groups of people meeting together
- Give presentation and pass around a sign-up sheet at the end
- Phone all interested individuals



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Recent Difficulties

- Tighter border restrictions – drop out rate increased, fewer clients
- Climate of fear in region, ICE, etc.
- Broader needs than just a loan; families were not managing their money



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Recent Evolution and Innovations

- Shifted from stand-up class training to more personalized coaching one-on-one
- Developed family financial literacy training to improve managing of monies



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Moving Forward ...

Q and A



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