



CITY OF CLEVELAND
Mayor Frank G. Jackson



From: Cleveland Fire Headquarters and Office of the Mayor

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FOR IMMEDIATE RELEASE:

September 16, 2019

Update: Launch of Kiva Cleveland to Fuel Economic Growth Through Early Stage Business Investment

CLEVELAND – Kiva Cleveland officially launches September 20, bringing crowdfunded microloans to small business owners and aspiring entrepreneurs in the Cleveland area. This initiative has been brought to the city through a partnership with the City of Cleveland, The Economic Community Development Institute (ECDI) and Kiva. **The public may register to attend the launch event Oct. 2 at 5:30 p.m.: <https://bit.ly/2kQUgNo>.**

“Small businesses are important to Cleveland’s economy; by providing small business owners with accessible capital, Kiva will serve as a valuable resource to local entrepreneurs,” said Mayor Frank G. Jackson. “This partnership is part of a larger effort to drive economic growth within Cleveland and support aspiring business owners.”

Through Kiva Cleveland, anyone can help grow small business and promote local job creation. To support Cleveland entrepreneurs, visit www.kiva.org and sign up to become a lender. From there, simply search for borrowers in the Cleveland area under the Kiva U.S. tab on the website and support them with a loan as small as \$25. Small business loans crowdfunded through Kiva Cleveland are on average \$5,000 and are offered at 0% interest with no fees. For borrowers who may be rejected by traditional lenders, Kiva provides opportunity.

The crowdfunding platform partnership is one of three public/private partnerships that the City worked with FUSE Corps executive fellow Aja Hardy to develop this year. ECDI is a partner in Kiva Cleveland with the City’s Economic Development department and both are providing operational and technical assistance as well as resources devoted to community engagement and scaling the program in the next three years. By building these relationships, the city is ultimately seeking two outcomes: community regeneration and wealth creation.

“ECDI is excited to partner with the City of Cleveland and Kiva to expand access to capital to the many deserving entrepreneurs in our community,” said Danielle Sydnor, ECDI Executive Director Northern Ohio. “With our one-stop-shop model for lending,

coaching and training services, we are eager to assist these borrowers with accelerating their growth and pathway to bankability.”

Crowdfunded loans fill a critical lending gap faced by entrepreneurs whose businesses are too young, too small or too innovative to receive loans from traditional lenders. Nationally, small businesses create two-thirds of all new jobs and according to the Association for Enterprise Opportunity, if one in three small businesses hired one more person, the U.S. would be at full employment. There is an opportunity to build the ‘missing micro’ ladder of small, affordable loans, especially for minorities, women and individuals with lackluster credit.

"Many of the small business owners who come to Kiva have all the tools to succeed except one. They have a vision for success, a plan to achieve that success, and all they're missing is capital," said Sophia Zisook, Kiva's Midwest Regional Manager. "These business owners can't reach their goals without financial inclusion. When they see this community step up to support them, they know they are being given a vote of confidence. By lending on Kiva, you are doing more than providing capital, you are telling the small business owner 'I believe in you.'"

The Kiva Hub City model is not new; there are 14 nationwide including Columbus, Cincinnati, Philadelphia, Kentucky and Rochester, New York. The Kiva Cleveland Hub will be part of a large network that shares best practices as they grow their markets. Internationally, Kiva’s community of 1.8 million lenders have crowdfunded \$1.25 billion in loans – \$25 at a time – to more than 3.1 million entrepreneurs in 81 counties and 47 US states. The repayment rate is 97%.

Partners, Supporters and Trustees

Kiva Cleveland is made possible by several area organizations joining the initiative as Sponsors and Trustees. Sponsors include the City of Cleveland and ECDI. Loan matching funds that support the KIVA loans in fundraising are still pending.

Kiva Trustees are organizations or institutions that publicly endorse entrepreneurs on the Kiva website who they know and trust in their community. Current Trustees in the City who have endorsed borrowers before and are a part of Cleveland Hub Trustee Board include: Urban League of Cleveland, ECDI, Women’s Business Center, City of Cleveland and the SEA Social Change Organization. Trustees representing the LGBTQ+, Latinx, and chamber of commerce communities are still in progress. To have an organization become a Kiva Trustee visit <https://www.kiva.org/trustees/apply>.

About ECDI

The Economic & Community Development Institute is a Columbus, Ohio-based 501(c)(3) non-profit economic development organization founded in 2004. **As one of the top U.S. SBA micro-loan intermediary and a U.S. Treasury designated Community Development Financial Institution (CDFI), ECDI's mission is to invest in people to create measurable and enduring social and economic change.** ECDI achieves this mission through the delivery of responsible, affordable lending and small business development services to help low- and moderate- income, and other disadvantaged people and communities join

the economic mainstream. This critical support helps underserved entrepreneurs create and expand small businesses, while combating exploitative lending practices.

Since 2004, ECDI has assisted more than 15,000 individuals, disbursed over \$50 million through 2,300 loans, and created and retained over 8,000 jobs via our comprehensive suite of programs available through our offices in Columbus, Cleveland, Akron, Canton, Toledo, and most recently Cincinnati, Ohio. Our programs and services have proven to spur local economic development. How do we do this? We invest, educate, and innovate with the businesses and people who are inspired and who inspire us. www.ecdi.org.

About Kiva.org

Kiva is an international nonprofit, founded in 2005 and based in San Francisco, with a mission to connect people through lending to alleviate poverty. Kiva celebrates and supports people looking to create a better future for themselves, their families and their communities. With as little as a \$25 loan, anyone can help a borrower start or grow a business, go to school, access clean energy and realize their potential. For more information, visit www.kiva.org.

About the City of Cleveland

The City of Cleveland is committed to improving quality of life for its residents by strengthening neighborhoods, delivering superior services, embracing diversity and making Cleveland a desirable, safe city in which to live, work, play and do business. For more information on the City of Cleveland, visit online at www.city.cleveland.oh.us, Twitter at [@cityofcleveland](https://twitter.com/cityofcleveland), Facebook at facebook.com/cityofcleveland or on our blog at clecityhall.com.