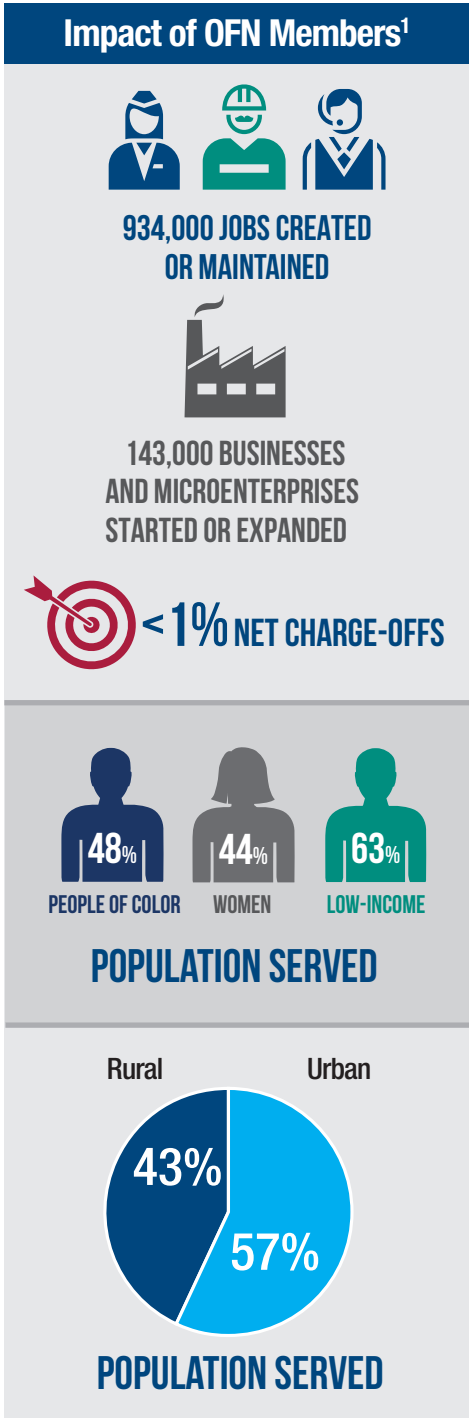


# CDFIs, SMALL BUSINESSES, & JOB CREATION



Community Development Financial Institutions (CDFIs) provide capital for small businesses and microenterprises that mainstream financial institutions might overlook. These small businesses create jobs in urban, rural, and Native communities nationwide.

OFN Member CDFIs' annual net charge-off rate is on par with mainstream financial institutions. OFN's CDFI Business Loan Funds' average business loan size is less than \$146,000, below the level at which many banks can effectively serve small business borrowers<sup>2</sup>

## Support for CDFI Job Creation

CDFIs leverage federal government support against private funds to lend to small businesses and create jobs, including:

- The Small Business Administration Community Advantage (CA) program, an opportunity to deliver the SBA's flagship 7(a) guarantee program through mission-focused lenders. CDFIs comprised 70 of the 103 lenders in the program that had loaned more than \$200 million since inception.
- The State Small Business Credit Initiative (SSBCI) in the U.S. Treasury Department, which increases access to capital for small businesses. States channeling their capital through mission-oriented lenders like CDFIs have had particular success in reaching underserved borrowers including young companies, small companies, and companies located in low- and moderate-income areas. Through 2014 CDFIs accounted for \$357 million across 5,300 loans or investments using SSBCI funds.<sup>3</sup>

<sup>1</sup> All data in this infographic taken from *Opportunity Finance Institutions, Side by Side, 1985-2014*. Find it at [ofn.org/publications](http://ofn.org/publications).

<sup>2</sup> Ibid.

<sup>3</sup> State Small Business Credit Initiative: A Summary of States' 2014 Annual Reports.