

# Proposed Small Business & Nonprofit Funds

## Distribution Strategy for Santa Cruz County, Arizona

### 1) Strategy

### Small Business/Nonprofit Financial Asset Building



### 2) Timeline and Options

# Strategy: What is Financial Asset Building?

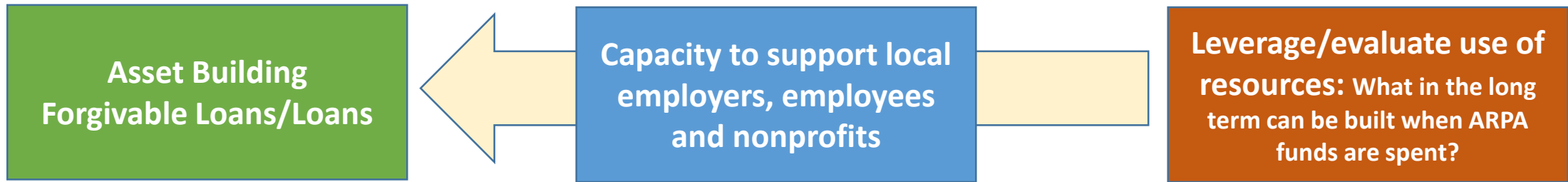
Financial asset building: Supports to build and preserve financial stocks of wealth to fall back on during times of stress.

They include:

- Tools (like loans/forgivable loans that build credit)
- Services (like financial education and credit counseling, Volunteer Income Tax Assistance, insurance and emergency food assistance)

As a strategy, financial asset building combats asset poverty (insufficient net worth). **Nationally, asset poverty is double the poverty rate.**

# Strategy: Financial Asset Building (\$1.5 million)



**Financial Asset Building:** Help businesses and nonprofits better manage financial shocks

- Loans and forgivable loans
- Potential categories (Covid impacts):
  - Logistics/Produce
  - Retail and services
  - Artists
  - Hospitality
  - Construction trades

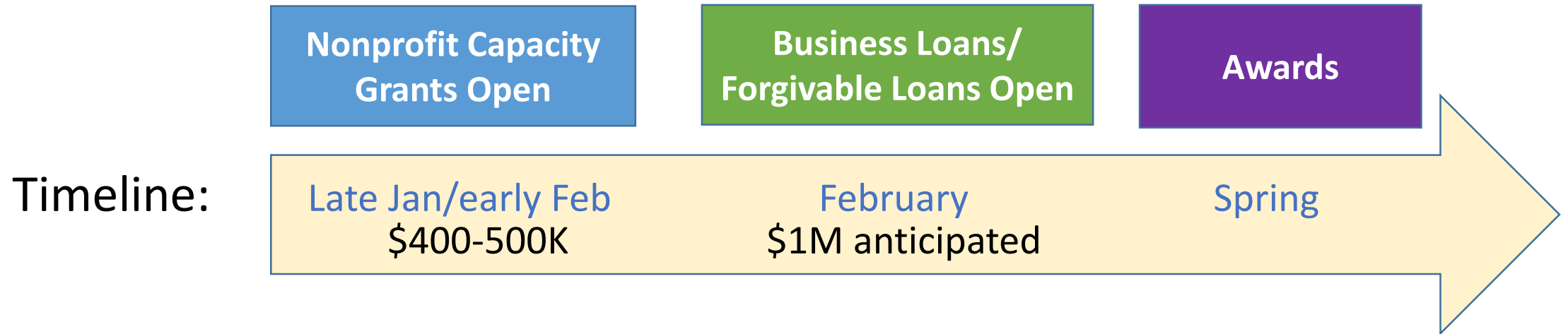
- **Capacity Grants:** Nonprofits help employees/employers build financial assets

- **Loans can be forgiven by:**
- Leveraging loans (local lenders/CDFIs)
- Leveraging asset building services (such as small business training, tax assistance, health and emergency/food assistance)
- Giving back portion of proceeds to the nonprofit community

**Leverage/evaluate use of resources:** What in the long term can be built when ARPA funds are spent?

- Federal intermediaries & initiatives
- Philanthropy and corporate donors
- Private and nonprofit lenders
- State resources

# Timeline and Options



## Program Options:

- **Categories** Logistics/Produce; Services/Retail; Artists; Hospitality; Construction
- **Nonprofit grants range** \$25-45K; Extra points for collaboration
- **Forgivable loan range** Up to \$25K? Artist grants ~ \$2,500?
- **Geographic area for distribution** – Include incorporated areas?
- **Income criteria** - Priority for lower income entrepreneurs?