

2009 Social Impact Report

I. Introduction

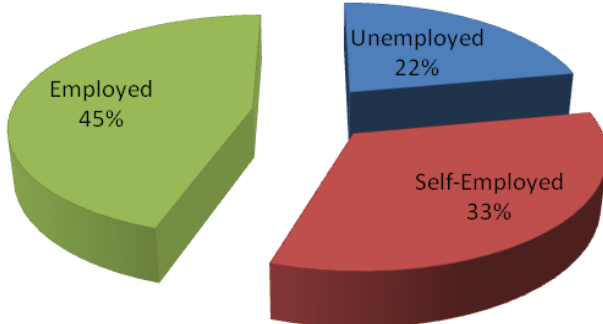
Throughout 2009, the Capital Good Fund initiated, developed, and refined its innovative lending programs, with impressive and effective results. At the conclusion of its second loan cycle, the Fund had met the financial needs of nine borrowers, helping six to grow their enterprises and three to become citizens of the United States. These Providence community members come from diverse backgrounds; 89% were born abroad, in nations ranging from Mexico to Bolivia to the Dominican Republic. Though the Fund’s clientele come from different backgrounds, they are nearly universally low-income. The median income for business borrowers is \$30,036 and for citizenship borrowers, \$18,000; 45% have at least one dependent to provide for.

At the beginning of 2009, the Capital Good Fund had recognized a need for affordable financial support within Providence’s low-income communities. Over the course of the year, it worked to provide effective solutions through business literacy workshops and diverse loan products. The high demand for the Fund’s loans, coupled with the low-income background of its borrowers, testify to the value of the organization. Throughout 2010, the Capital Good Fund hopes to use the following information to further refine its target markets, expand its services, and continue to serve the financial needs of Providence communities.

Fast Facts—Some overall figures:

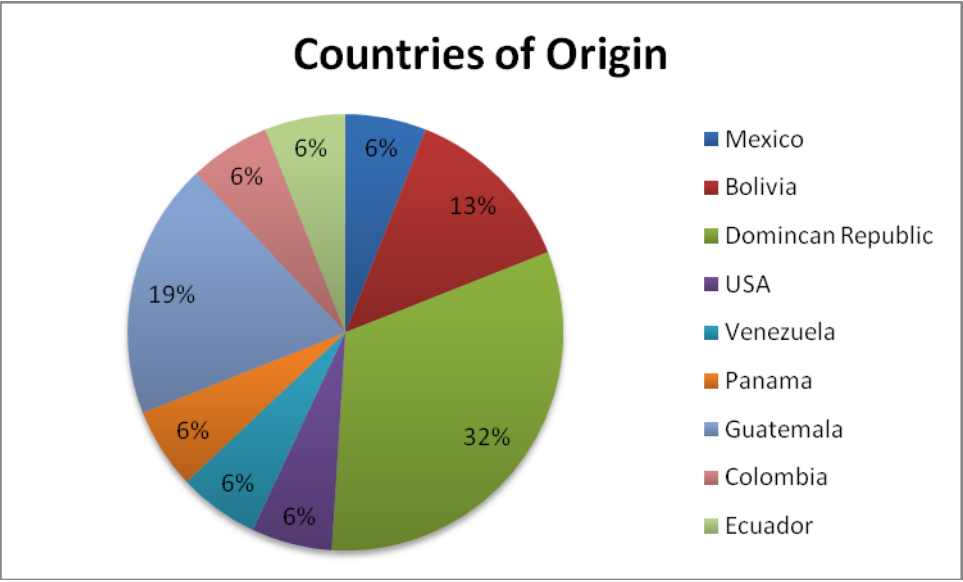
- Seventeen Providence community members served- nine women and eight men.
- \$22,675 lent during 2009- \$20,100 toward small business development and \$2,575 to support the attainment of United States citizenship.
- 90 hours of basic business training delivered.
- 16 out of 17 clients are most comfortable speaking Spanish.

Employment status of clients



The figure to the left depicts the employment status of most of CGF’s clients. 1 out of every 5 clients that CGF serves is unemployed while another third are self-employed. Reaching unemployed populations through technical assistance contributes to the growth of Providence’s knowledge economy; helping those with small business expand their enterprises further helps families prosper economically.

The Capital Good Fund's clients come from a number of different countries. CGF has been especially effective in targeting the large portion of low to moderate-income Latino immigrant populations in the city. The graph to the right depicts the countries of origin of CGF's borrowers and business literacy workshop graduates.



II. Lending Accomplishments

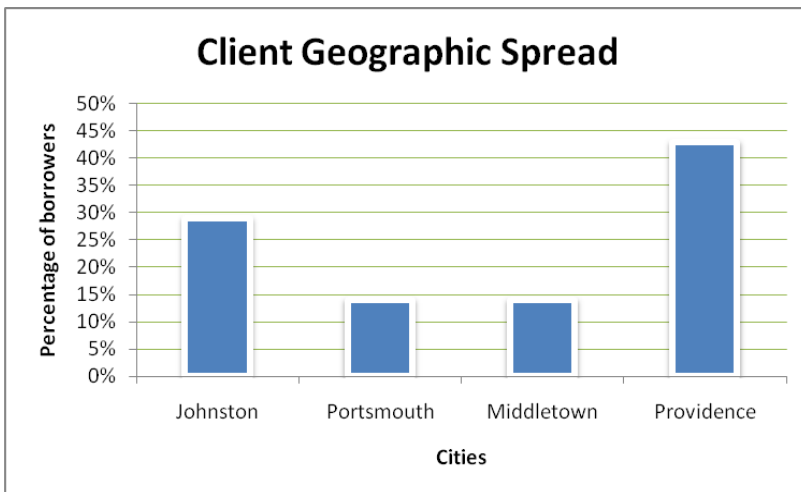
The Capital Good Fund's innovative lending programs offer strong evidence of the organization's ability to create powerful social change within Providence. Throughout 2009, the Fund financed nine loans, ultimately investing \$22,675 into the local economy. Overall, the Fund considers its accomplishments during the past year to be a groundbreaking step on the road to growing a poverty-free economy.

Business Lending

Each of the Fund's seven business loans given out over the past year has allowed a member of the Providence community to build and grow an independently run enterprise that will continue to enhance the local economy for years to come. Supported enterprises fall in diverse sectors, including daycare, cleaning, tailoring, and carpentry.

Fast Facts

- Business loans totaled \$20,100, funding enterprises with median monthly revenues of \$7,000.
- Each enterprise employed at least one individual; one enterprise supported 10 employees.
- Two-thirds of business borrowers are single women, and half of those women care for at least one child.



Although centered in Providence, CGF has reached individuals throughout the state of Rhode Island in a very short amount of time. The graph to the left depicts the places of residence of clients.

Citizenship Lending

Though still small, our innovative citizenship loan program has been a remarkable success. Two of our three borrowers have been sworn in as citizens of the United States, a huge accomplishment that increases their ability to benefit as residents of the country.

Fast Facts

- The median income of the Fund's citizenship borrowers is \$18,000, and 66.6% are employed.
- The average size of a citizenship loan is \$875, covering the cost of an application and associated legal fees. In total, the Capital Good Fund lent \$2,575 in citizenship loans throughout 2009.
- Each borrower uses traditional financial services; 66.6% hold checking accounts, and 66.6% hold savings accounts.

III. Business Literacy

The Capital Good Fund's business literacy training programs emerged to meet the needs of two sub-sectors of its clientele. The first, who qualify for the Fund's Business Basics workshop, are not yet prepared to receive a business loan from the Fund; Business Basics provides them with the skills necessary to manage a small enterprise. Advanced Basics workshops are intended to enhance the management skills of current borrowers.

During 2009, the Fund held its inaugural Business Basics workshop, drawing over 15 participants from Providence, Pawtucket, and Barrington (9 went on to graduate). Students were on average 34 years old, single, and drawing a yearly income of \$11,355. The 5-week training course delivered to the 9 graduates a total of 90-hours of business literacy training. Participants were thrilled with what they learned from the workshops; 87.5% stated they would pay \$50 or more for a similar workshop in the future.

IV. Planning for the Future

Through an analysis of the Capital Good Fund's social impact in 2009, several key trends emerge. Most importantly, throughout the year, the Fund has reiterated its initial goal of reaching low-income Providence communities. With a median income of \$18,000, its clientele fall into the bottom 30% of Rhode Island households. In addition, the majority of the Fund's clientele are relatively young; the median age for participants is 40, and the youngest recipient of assistance is 19 years old. The Capital Good Fund, therefore, is reaching Providence's low-income community members at formative ages. Loans from the Fund are able to impact its borrowers and their enterprises on a long-term basis, helping to build communities that will sustain growth throughout the future.

During 2010, the Capital Good Fund will build on its recent accomplishments toward several new goals. In February, it launched its innovative Double Green Credit Builder loan, which finances the cost of a programmable thermostat, helping to cut borrowers energy costs and improve credit scores. For this new program, the Fund is beginning to report borrower's credit, ensuring that it will help borrowers to build credit as they successfully repay their loans. Additionally, the Fund hopes to expand the number of loans that it is able to finance throughout the coming year, ultimately contributing to the development of a poverty-free, upwardly-mobile green economy.