



The PLAN Fund

PLAN FOR SUCCESS

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PF Members (Left to Right) Araceli Estrada, Alvaro Gomez

Our Mission Statement: The PLAN Fund is a Dallas-based nonprofit organization that develops small business entrepreneurs through business training and micro-credit to increase economic stability and self-sufficiency within Dallas County's low-income communities

MAKING AN IMPACT

Since 1999, The PLAN Fund

- Has provided 509 loans
- Averaging \$1,500
- Totaling over \$760K
- Trained nearly 3K entrepreneurs

PLAN Fund Restructures CDFI Certification Obtained

Director's Update By Anthony Pace

While the U.S. wades through the current global recession, businesses and individuals are faced with the dilemma of how to cope with the economic downturn while keeping their business afloat and even maintaining a paycheck. Non-profit organizations like the PLAN Fund are not immune to the recession. Donors have fewer resources to provide because of the recession and have since become more selective in their giving. Challenging times inspire creative initiatives and a perfect example is the recent restructuring of the PLAN Fund. We needed to ensure our program's stability but also that it maintains a relevancy to our clients and long term viability.

This summer, in response to the needs of small businesses, the PLAN Fund restructured its operations to expand its lending and to increase capital to Dallas' low and moderate income entrepreneurs. Additionally, our organization separated its lending operations and business development services. This division has enhanced our staff's ability to provide more specialized and client-centric services. Moreover, we expanded our loan limits from \$4,000 to \$6,000, and shifted our lending focus that assists existing businesses with at least one year experience.

Our training and development services have also transformed its

structure. We have consolidated meeting locations to the 5 most active business centers. The idea is to have fewer centers with more activity at each center. Our meeting center locations are:

- Multi-Ethnic Education and Economic Development Center (MEED)
- MLK Community Center
- Hispanic Chamber of Commerce
- Builders of Hope
- Christian Chapel Temple of Faith

Keeping in line with our members' busy schedules, we have condensed the number of monthly meetings per center to one meeting.



At the same time we have upgraded our member meetings to business empowerment sessions which are designed to empower the business owner with knowledge, resources, and expert advice on relevant topics such as: web design, marketing, business legal, minority certification, bookkeeping, tax planning and more.

In September 2009, the PLAN Fund was the proud recipient of Community Development Financial Institution (CDFI) Certification from the U.S. Department of Treasury. CDFI Certification is granted only to financial institutions that focus their efforts in under-served and

economically distressed communities. The certification is limited to organizations whose primary mission is to promote community development by providing business-related financing and business development services. As a result of our restructuring and CDFI Certification, the PLAN Fund is now, more than ever, poised to take on the challenge of assisting working-class entrepreneurs and help manage the difficulties of the economy and achieve overall self-sufficiency.



Anthony Pace

The PLAN in Action

The saying goes, "When life gives you lemons, make lemonade."

Amanda Ross did just that, taking the bitter sweet moments that life often deals us all and established Cuties Cup and Cakes. She realized that these decadent delights comfort people and when they're well prepared and packaged, they not only satisfy the sweet tooth, they increase optimism. Once she completed the Business Basics Training, she was approved for a PLAN Fund loan of \$600 to purchase equipment, supplies and materials.



Frank Salas, owner of Salas Sunless, Dallas-Fort Worth's first and only custom airbrush tanning studio received his first loan of

\$1,200 in October 2008. Frank has used the money to implement marketing strategies. He started his business at 21 years of age and is very dedicated to the demands of owning and managing a salon. He has recently received his second PLAN Fund loan of \$6,000 that will be used to make studio upgrades.

Don Yarbrough, owner of Cash Flow Inspections, is a highly successful banker who has substantial experience with treasury and cash management services. He recently experienced a layoff and decided that it was the ideal opportunity to explore entrepreneurship. Don decided to start Cash Flow Inspections, a service that provides small business owners with assessments and consultations related to finance and cash flow management. With a PLAN Fund loan of \$500, he was able to work on his sales and marketing his company's brand.

Noteworthy



The PLAN Fund in the Media

Listen Now! The PLAN Fund's Anthony Pace, Executive Director, and Nicole Williams, a successful PF borrower, were interviewed discussing The PLAN Fund and its role in micro-finance on National Public Radio's "TELL ME MORE" segment in August '09. Visit [NPR Online](#) to listen to the show.

Planning for the Holidays?

You're just in time! Go to [Our Online Store](#) and start shopping. It's totally free to use and you can shop from over 200 retailers with a ton of variety! Every time you search or buy something online, you'll be supporting The PLAN Fund.

PLAN Fund on Facebook

Add PF as your friend on Facebook! Simply go to our [Facebook Page](#) and click "Request Friend". Individuals can join to share information about our organization, upcoming events and more! Join us and donate your time, money, and knowledge to the PLAN Fund.



Industry Insight Micro-Finance to Recover the Economy

By Katya Long, Winter Intern 2009

Micro-finance, although not a new trend, only recently began to gain public attention. The concept of micro-finance was invented by Dr. Muhammad Yunus in the late 1970s, specifically aimed at alleviating poverty in his native country, Bangladesh, through the establishment of the Grameen Bank.

Offering small loans to people with unsatisfactory credit records who also did not qualify for traditional bank loans allowed the Grameen Bank to become the primary means to providing economic stability and security for this under-served demographic. Little did Dr. Yunus know, this simple model would soon become recognized by the global market and adopted by countries near and far.

The recent global recession has made the micro-finance model extremely popular. As each country uses this strategy, the core fundamentals are preserved while certain details are altered to fit the country's socioeconomic conditions. Whether the Micro-finance Institution (MFI) select private or non-profit forms of administration, they

"Even very small businesses in the U.S. have to deal with factors such as taxes, licenses and zoning laws that can prove daunting hurdles to the inexperienced, aspiring business owner. Businesses are likely to have better management and better long-term prospects than they would have without the support of microenterprise programs."

-Ben Bernanke, Chairman U.S. Federal Reserve

facilitate small loan transactions and deliver financial services to nascent entrepreneurs with impaired credit records and few assets. The U.S. Federal Reserve Chairman, Ben Bernanke, praised micro-finance programs for emphasizing education and training as important factors for the success of entrepreneurs.

In the United States, The PLAN Fund (PF) is an example of a non-profit MFI. Located in Dallas, The PLAN Fund offers micro-loans, up to \$6,000, business training classes and networking opportunities to new and existing small businesses. Its mission is to increase the economic stability and self-sufficiency of working class entrepreneurs while stimulating small business initiatives. One of PF's beneficiaries, Araceli Estrada, came to the U.S. in 1999 with the idea of using amaranth as a health product. Today she is the owner of Tzoaliamaranth, which sells a variety of bakery products from pure amaranth. She received her first loan in August 2008 for the purchase of a half-ton of amaranth to use as base material for production. She is just one example of many, who have received the assistance they needed to get the start they needed in business.

Historically, small businesses have served as a vital impetus of the U.S. economy, propelling employment and production, facilitating consumption and enabling individuals to accumulate wealth. Micro-finance organizations such as The PLAN Fund are doing their part to propel the U.S. economy.

Hope for the Business Model

When the individual is empowered to create businesses and enterprise out of the things they already love to do, it not only sheds hope for their financial future, it enhances the quality of services the general public receives. When you do what you love, everyone benefits.

V. Childress,
PF Member



Donor's Corner

Could it be you?

It is through the generosity of corporations, foundations and individuals that The PLAN Fund is able to sustain itself and maintain progress. We have partnered with both large and small donor's and businesses who desire to increase the economic stability of their very own business community. Our program boasts a successful strategy that teaches and encourages the entrepreneur to manage their business more effectively and in turn, sustain themselves and their family. Please consider supporting the PLAN Fund. To volunteer your time, visit [The PLAN Fund](#) and go to "Get Involved/Volunteer"

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Plan for Success

It's the essence of who we are and what we believe. Planning is not only essential to the new business entrepreneur, but also the existing. Keeping a course of action is key to success. -V. Childress, PF Member

New Plans for the PLAN Fund Program updates and new opportunities

By Neil Small + Tarsha Polk

New Loan Format

PLAN Fund's Loan Officers are experts in credit analysis. Once a business owner inquires about obtaining a business loan, the officer will estimate their monthly debt repayment capacity and conduct a character-based analysis of the applicant as a potential borrower. Specifically, loan officers look for signs that the borrower will be capable of repaying the loan despite credit history.

Our loan approval process averages 3 weeks for the applicant. Plan Fund interest rates are between 9 and 13.5% per year, and depend on the applicant's credit qualifications. Interest is charged on a simple interest model: a \$1,500 loan with a 12 month term, for example, would pay less than \$100 in interest over the life of the loan.

New Programs + Training

Introducing the new Small Business Savings Individual Development Account Program. An "IDA" provides small business entrepreneurs a source of

matched savings to encourage best practices of saving, budgeting and business planning. For small business owners who are members of The PLAN Fund, savings will be matched for one year and funds must be used for approved business purchases.

The benefits of an IDA are:

- Present an incredible return on your savings investment: 2 to 1 will get \$2 in matched funds for every \$1 deposited
- Provide capital to start or expand your small business
- Special Savings Account
- Maximum match amount of \$1500

This special IDA program is a partnership between YWCA Dallas, The PLAN Fund, and Capital One Bank.

Business Empowerment

Sessions will replace the monthly center meetings. Members and prospects will attend a 1.5 hour workshop at one of the center locations. Workshops will cover critical business issues delivered by subject matter experts. Each quarter, members will have the opportunity to engage in peer-to-peer mentoring and support at the empowerment sessions. Guest speakers are invited to speak on

topics such as, minority certification, business legalities, government contracting, marketing and more.

Getting Started classes have replaced our monthly informational sessions. Getting Started will teach attendees the basic steps for starting a business. The 1.5 hr session is free and open to anyone who wants basic information on how to obtain a DBA, financing your business, minority certification and writing a business plan. The class would focus on local resources and promote The PLAN Fund programs.

Borrowing Basics has replaced our loan acceleration workshop that was previously only available to PF members. The Borrowing Basics workshop is open to everyone interested in funding solutions. This workshop covers how a loan package should be prepared and the nuts and bolts of establishing, maintaining and utilizing credit.

