PNC Foundation Commits $1.5 Million To Accelerate Access To Capital For Black, Diverse Businesses In Chicago's South, West Sides

New Community Micro Equity Fund Will Support Incubation, Training and Equity Infusion Hub, Supervised by Greenwood Archer Capital, Sunshine Enterprises

CHICAGO, Sept. 15, 2021 – The PNC Foundation is awarding a $1.5 million grant to support the launch of the Community Micro Equity Fund, a new program intended to provide Black and other underserved diverse business owners and entrepreneurs of Chicago's South and West Sides with access to capital.



This PNC fund, administered by community lender Greenwood Archer Capital (GAC), formerly Chicago Neighborhood Initiatives Micro Finance Group, and Chicago-based small business development organization Sunshine Enterprises (SE), is the first of its kind to provide a direct equity investment in micro enterprises that traditionally may not have benefited from the availability of this type of financial resource. The initiative aligns with PNC's broader commitment announced in June 2020 to dedicate $1 billion to help end systemic racism and support the economic empowerment of African Americans and low- and moderate-income communities.

"One of the most significant barriers for our neighbors in the South and West Sides is equitable access to economic opportunity. By providing diverse, early-stage business owners with a support system to lean on, we believe this unique 'concept-to-launch' hub will support the development and sustainability of businesses in historically under-resourced populations," said Scott Swanson, PNC regional president for Illinois.

Designed to help connect more than 200 qualified business owners and entrepreneurs in Chicago's South and West Sides with up to $25,000 in friend and family-type capital every year, the fund is poised to become Chicago's most innovative approach to micro equity targeted to early stage entrepreneurs in highly disinvested communities. The program will create an ecosystem of support, which will include: business education; working capital; credit repair coaching; incubation and access to co-working space; patient mezzanine equity; and strategic, ongoing mentoring.

"Entrepreneurship is a pathway for creating generational wealth, however, without access to all forms of capital, and specifically micro-investments, this path may not be realized for people of color and low- and moderate-income individuals," said Erica L. King, Greenwood Archer Capital, president. "We are grateful for PNC's unique vision and commitment to racial and economic equity and look forward to uniting our efforts with Sunshine Enterprises to spur innovation and sustainable growth for our small business owners."

Qualified participants will complete either a formal vetting process through GAC or an intensive 12-week basic business planning and management education program through The Community Business Academy

(CBA) of Sunshine Enterprises, focused on credit, marketing, bookkeeping, cash flow, legal and other business-related topics.

“PNC’s support of this program provides an unprecedented continuum of basic business and management education to a minority population many may deem too risky to support. Mandating the education component into the program requirement is critical to the long-term viability of our entrepreneurs and tradesmen as they look to grow and transform, and with that, empowering wealth creation, jobs and increased spending in disinvested neighborhoods,” said Joel Hamernick, Sunshine Enterprises, executive director.

This initiative also provides an opportunity to engage PNC’s expanded Small Business Financial Education Series with collaboration from the City of Chicago, the SBA, USDA, other CDFIs and local higher education institutions. Additionally, Sunshine Enterprise will provide one-on-one business coaching and mentoring to develop and implement a strategic action plan through their Business Accelerator Services (BAS), supplemented with workshops, pitch competitions, access to capital, procurement and office opportunities.

“When you teach a person to fish, they retain a life-long skill. But if you help them buy a boat and hire a crew, they can then create a long-lasting business and build a legacy of wealth for their family,” Tony Smith, PNC Community Development Banking territory executive. “Today we must be bold about the initiatives that can change the narrative for black and brown neighborhoods and businesses. We believe this alignment between the public and private sector helps demonstrate our pledge as an active participant in the journey towards economic vitality for all neighborhoods in Chicagoland.”

Patient and flexible repayment terms are available to allow an entrepreneur the time to develop, grow and scale their business. No payment will be required for the first two years, followed by an additional year of principal repayment only. After the third investment year, the business will have the option of paying off the debt or converting it to a traditional amortizing loan. This structure alleviates financial burden during the most crucial years and allows the business owner to focus their attention where it matters most to ensure a viable and sustainable business.

GAC and SE will work closely as partners to clients during the investment period. The PNC grant will be dispersed into the fund over a three-year period. Profits from the investment will be reinvested in succeeding program cohorts and other philanthropic and institutional support to exponentially expand program reach. Interested entrepreneurs can register at: www.sunshineenterprises.com/community-microequity-fund.

The Community Micro Equity Fund is part of a broader commitment by The PNC Financial Services Group, Inc. to provide support in the Chicagoland area with more than $45 million already invested this year for financial empowerment, community development and education, including over $185,000 in historic support of other GAC and Sunshine community development initiatives to help expand financial education and workforce development opportunities.

Greenwood Archer Capital (www.greenwoodarchercapital.org), formerly Chicago Neighborhood Initiatives

Micro Finance Group, is a non for profit 501c(3), certified Community Development Financial Institution (CDFI) and intermediary lender with the U.S. Small Business Administration (SBA). Founded in 2012, the organization provides access to all forms of capital for business owners in underserved, economically distressed communities in metropolitan Chicago and the adjacent suburbs of Cook County. The organization contributes to the revitalization and stability of local Black communities and works to decrease racial wealth gaps and create generational wealth through the deployment of innovative financial products and business development services.

Sunshine Enterprises (www.sunshineenterprises.com) is a small business development organization committed to identifying and empowering local entrepreneurs in under-resourced communities to grow their businesses and transform communities. Over 1,000 entrepreneurs have graduated from SE's CBA educational program and over 1,800 entrepreneurs served through SE's Business Acceleration Services. Created in 2021, the company is an extension of the community work started by Sunshine Gospel Ministries.

The PNC Foundation, which receives its principal funding from The PNC Financial Services Group (www.pnc.com), actively supports organizations that provide services for the benefit of communities in which it has a significant presence. The foundation focuses its philanthropic mission on early childhood education and community and economic development, which includes the arts and culture. Through Grow Up Great, its signature cause that began in 2004, PNC has created a bilingual $500 million, multi-year initiative to help prepare children from birth to age 5 for success in school and life.

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