

Justine Petersen in search of 300 entrepreneurs to award microloans

By Chris King
Of the St. Louis American

The crisis in international money markets has put the squeeze on businesses and entrepreneurs of every scale of enterprise, from the world's largest investment banks to anyone with a business plan and a dream, but no capital.

As the markets sort themselves out, with governmental assistance, a local nonprofit organization has more immediate hope to offer the small-scale entrepreneur.

Justine Petersen — named for a since-deceased gadfly at ACORN — has a microloan program. It plans to award 300 microloans this year and 500 next year.

“Justine Petersen is making a big push to give microloans to low-income and minority entrepreneurs,” said spokesperson Shera Dalin.

It will give all of these loans to entrepreneurs in the St. Louis metro area. African-American entrepreneurs who have received loans already include Helen French of Frenchie's Quality Cleaners, Christel Reed of Zion's Child Development Center and Ken Watkins of St. Louis Q.

The organization has lent \$3.9 million in Small Business Administration funds to 700 micro-loan borrowers and another \$3 million 1,500 borrowers through its CDFI loans for consumer, second and first mortgages and small-business loans.

“We are looking for groups of people that traditional lenders, like banks, might not give loans to,” Dalin said, “people whose credit history may

not be perfect or who may have no credit history.”

The alternative, she said, are the likes of pay-day loan companies that charge interest rates of 400 percent a year or more.

She said the average microenterprise loan amount is \$7,000, though the organization has made loans for as little as \$250 and will go as high as \$35,000. Loans are typically repayable over 6 years and with affordable monthly payments.

The organization, which is based in St. Louis on North Grand Avenue, gets its loan pool from banks, grants and through the Small Business Administration.

Justine Petersen's previous research shows that more than 75 percent of its clients escape from poverty after receiving service from the organization. Microbusiness entrepreneurs increased their revenue threefold to a median of about \$45,000 a year after Justine Petersen loans or training.

Dalin said the organization's namesake “was very assertive in getting low-income people into their first homes, and that mission spread into entrepreneurship.”

Now Justine Peterson helps homeowners navigate the mortgage crisis that precipitated the crash in financial markets.

The organization also is hiring a summer intern to study the impact of its microloan program, thanks to a grant from the Citi Foundation.

“This is a great opportunity for Justine Petersen to quantify how much our microenterprise program is helping the St. Louis area's economy,”

said Justine Petersen Chief Executive Officer Robert Boyle.

Justine Petersen will join 19 other programs nationwide in the Citi Microenterprise Researchers Program, which is expected to produce one of the largest national data sets on microenterprise owners, while introducing college students to career opportunities in microenterprise.

Microenterprises are defined as very small businesses capitalized with \$35,000 or less and employing five or fewer people.

Interns in the 12-week program will receive \$7,000 stipends funded by the Citi Foundation, and data-collection training provided by FIELD, the microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination, a research project based in Washington D.C. The interns will travel to Washington D.C. twice; in June to receive training and at the end of the summer to review their findings and experiences.

Justine Petersen is also seeking additional investors in the Emerging Markets Loan Fund. That includes individuals looking for a strong return on their investment and banks seeking Community Reinvestment Act credit. The goal is to reach \$5 million in capital.

Interested borrowers can call 314-664-5051 ext. 132 and talk to Galen about a loan or can email ggondolfi@justinepetersen.org.

For more information on microloans, fighting foreclosure or the internship, visit www.justinepetersen.org or call 314-664-5051.

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