

PARTNERS FOR SELF-EMPLOYMENT

# Lending the opportunity to run a business

■ Like the winners of the 2006 Nobel Peace Prize, a Miami nonprofit offers loans to those in need.

BY DESONTA HOLDER  
 dholder@MiamiHerald.com

A corporate banker might cringe at the thought of offering a \$500 loan with no credit check and no collateral, but not Miltoria Fordham, CEO of Partners for Self-Employment (PSE), which offers peer loans to help low-income people start or expand a business.

It's a concept that led to a 2006 Nobel Peace Prize for Bangladeshi economist Muhammad Yunus and his Grameen Bank, which provides micro-loans as low as \$9 to help beggars and poor women start businesses. Shortly after winning the prize, Yunus told the *The Washington Post*: "You cannot go on having absurd amounts of wealth when other people have problems of survival."

**TRAINING, LOANS**

PSE does not have absurd wealth, but the Miami nonprofit organization, created in 1993, has helped about 6,000 people in Miami-Dade and Broward get loans and training to start businesses and manage money, Fordham says. From January 2003 to April 2006, PSE provided training to 1,103 people, 52 percent of them women, and 92 percent of them minorities. In the same period, PSE gave loans to 674 people, 54 percent of them women, and 99 percent of them minorities.

"We've been doing it for 13 years and people still say, 'We didn't know you existed,'" Fordham says. "Sometimes people come with an idea and we start with training. We like to think the loan is the straw that keeps them coming back."

**MANDATORY SEMINAR**

Before receiving a peer loan, clients must attend an informational seminar — conducted in English, Spanish or Creole — with members of their peers. Next is training, which includes record-keeping and other financial instruc-



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**GRATEFUL RECIPIENT:** Veronica Stephenson, who sells scented soap and lotion, got a grant, which she used to buy a sewing machine to create purses. "I'm living my dream," she says.

applicants have credit problems, Fordham says, "we don't check credit, don't ask for collateral." It may seem risky, but the repayment rate is 92 percent. "Many people get in trouble, not because they don't want to pay their bills, but because they overextend themselves, living paycheck to paycheck. If something happens to the car, something goes by the wayside. We're providing opportunity. Where else can they go? They can't go to banks."

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— MILTORIA FORDHAM,  
 CEO of Partners for Self-Employment



MILTORIA FORDHAM

**INFORMATION**

- To apply for a micro-loan, you must attend an informational meeting at Partners for Self-Employment. Meetings are at 6:30 p.m. Mondays and Wednesdays at 3000 Biscayne Blvd., Suite 102, Miami. For more information, call 877-722-4505, visit [www.microbusinessusa.org](http://www.microbusinessusa.org), or e-mail [success@microbusinessusa.org](mailto:success@microbusinessusa.org).
- PSE is seeking donations and volunteers skilled in financial literacy, especially predatory lending and software programs. To lend a hand, call the number above.

loan in six months, \$17.46 would be paid in interest; if paid off in four months, \$12.56 would be paid in interest.

Financial support comes from the Miami-Dade Office of Community and Economic Development, the John S. and James L. Knight Foundation, the city of Miami and other donors and government organizations, including DHL. The logistics giant donated grants that provided 10 clients with \$1,000 each in 2005.

Veronica Stephenson, 49, of Miami was one of the recipients. She used the grant to buy "a sewing

machine to start making some designer bags, pocketbooks with my logo embroidered on them."

It's her way of expanding Adphilnat Studio, her home-based lotion and scented soap business, which has been "phenomenal."

Although Stephenson also teaches middle school at Florida International Academy and spends many hours networking and marketing, she's content: "I'm living my dream."

\$10,000 a year to their income, Fordham says. "Unfortunately no one sees them as we see them. Everyone thinks you need a storefront, and that's not true."

**A PROGRESSION**

After receiving a \$500 loan, clients can complete additional training and apply for a \$1,500 loan. From there, they can progress to loans up to \$5,000, which would require cash reporting and monthly documentation of business