



Article 453

June 5, 2016

## **The Loan Fund to Expand Services to the State's Creative Entrepreneurs**

*By Finance New Mexico*

In the first 15 months of its CreativeFund program, The Loan Fund helped more than 100 creative entrepreneurs in Albuquerque and Santa Fe secure a loan or receive training or advice to help turn their creative talents into successful business ventures.

The program has been so successful, in fact, that The Loan Fund is planning to expand its offerings statewide.



It's all part of an effort by the nonprofit — a community development financial institution with an economic and social improvement mission — to serve a group of typically debt-averse individuals who support themselves through creative endeavors of some form, said Matt Loehman, The Loan Fund's director of development and special projects.

### **Changing Mind-Sets**

Creative enterprises are the primary source of income for more than 43,000 New Mexicans, according to a 2015 report by the University of New Mexico's Bureau of Business and Economic Research. That's equivalent to the number of New Mexicans who work in construction and 50 percent more than the number of manufacturing workers.

"New Mexico is one of the few places in the country that's so strongly defined by our creative products and services," Loehman said. But most self-employed creatives are low-income, earning an average annual income of \$17,513. They often build their careers on a pay-as-you-go path.

Through CreativeFund — a pilot program financed with a \$200,000 seed investment from the Kresge and Surdna foundations — The Loan Fund offers personalized consulting services and targeted workshops to help creatives become more savvy entrepreneurs. It also offers affordable, adaptive loans to help them build enterprises that are more sustainable and profitable than they could with a piecemeal approach.

Many creative entrepreneurs, like other clients who come to The Loan Fund for their first business loans, often don't have a credit history that's strong enough to secure a conventional loan at a commercial bank. And many are unaware that New Mexico has a variety of alternative sources of money to help startups and nontraditional businesses.

### Reaching the Artist Community

The Loan Fund reached CreativeFund's target community by building outreach and service partnerships with the organizations that artists already trust and work with. Such networking will continue in the program's next phase.

Of the seed money it received in January 2015, The Loan Fund has spent more than \$100,000. Half of that went toward affordable loans to "creatives," and the rest paid for outreach, consulting services, and workshops in topics such as brand building, business structuring and other basics for the self-supporting artisan. The Loan Fund aims to raise another \$500,000 in grants and contributions to build CreativeFund into a statewide program for 2017 and 2018.

With grants and contributions supporting the program, The Loan Fund is able to adapt its lending criteria to better serve the market. Not every artist will borrow from The Loan Fund after receiving free training and consultation, Loehman said, but building relationships with this important — and often invisible — economic sector helps everyone by diversifying the state economy.

For more information about The Loan Fund and the CreativeFund, email [creativefund@loanfund.org](mailto:creativefund@loanfund.org) or call (505)243-3196. To learn more about The Loan Fund, visit [www.loanfund.org](http://www.loanfund.org).

*Finance New Mexico is a public service initiative to assist individuals and businesses with obtaining skills and funding resources for their business or idea. To learn more, go to [www.FinanceNewMexico.org](http://www.FinanceNewMexico.org). Sponsored by:*

