

CHAUTAUQUA OPPORTUNITIES FOR DEVELOPMENT, INC.

by Chautauqua Opportunities Inc.

Region 2 • Dunkirk, New York
chautauquaopportunities.com



Entrepreneurship • CED • Native Americans

INITIATIVE OVERVIEW

In operation since 2001, Chautauqua Opportunities for Development, Inc. (CODI) is the economic development arm of Chautauqua Opportunities Inc. (COI). CODI aims to develop opportunities for new and existing entrepreneurs in Chautauqua, Cattaraugus and Southern Erie counties. The program provides access to lending capital, technical assistance, consulting, and training.

LOCAL NEED ADDRESSED BY INITIATIVE

CODI provides borrowing options to business start-ups and existing businesses that may otherwise not be eligible through traditional lenders. These businesses include female- and minority-owned businesses, start-ups, and those with less than stellar credit.

The economy of CODI's target market has been historically driven by manufacturing, which has experienced significant decline over the last two decades. With several thousand industrial jobs lost, the county has seen an increase in lower-paying service jobs that offer few, if any, benefits. This shift has created an incentive for individuals to start their own business as an alternative.

However, the impact of the COVID-19 pandemic, and the associated economic downturn that faced Chautauqua County and the entire nation in 2020, was felt hardest by local small businesses, which make up 50.2% of the private workforce in New York state (source: 2015 Statistics of US Business, US Census Bureau). Given pandemic-related government restrictions



and worldwide supply chain interruptions, small businesses are just beginning to recover.

The loss of businesses, and a resulting decline in jobs apparent even prior to the pandemic, is illustrated in data from the Census Bureau's County Business Patterns report. As recently as 2005, Chautauqua County had a total of 3,079 business establishments with 46,034 paid employees. By 2016, the number of establishments decreased by 6.5% to 2,880. Between 2005 and 2016, the number of major employers (those with 1,000 or more employees) decreased from eight to three. In the same time period, the number of paid employees in all business sectors decreased by 11% to 40,961.

The effects of the weakened economy on small businesses are also apparent in the data. The number of businesses with 1-4 employees decreased by 10.6% from 1,613 in the year 2005 to 1,442 in 2016: a loss of 171

establishments.

Given its history of working with low-income, women, and minority entrepreneurs, CODI targets community members unable to access traditional lending or business development services. As the only business lending community development financial institution (CDFI) in the target market, CODI plays an important role in helping entrepreneurs start or expand their business.

Microenterprises assisted by CODI continue to improve the local economy long-term. As like much of rural America, trends toward less local ownership and more nationally or regionally owned corporations create a negative impact on local revenues and tax bases. Small business lending in rural communities counters these effects by keeping income local and multiplying it through the community as business owners reinvest profits and pay local taxes.

ROLE OF CSBG FUNDS

Early implementation of the CODI program was funded through the use of CSBG funding. Until recently, CSBG continued to help support CODI initiatives primarily through staff funding, which, in turn, allows CODI to provide services like application assistance and one-on-one or group trainings. In 2020, due to the availability of increased funding programs amid the COVID-19 pandemic, CODI has become independent of CSBG grants.

TRANSFORMATIVE IMPACT

CODI has impacted the communities it serves by providing financial and technical assistance to new and existing businesses, the majority of which were unable to obtain funding from standard lending organizations. These businesses subsequently provide the community with employment opportunities and valuable products and services, which in turn, improve quality of life and breadth of consumer choice in the community.

CODI goals are often set by funders of the program: Empire State Development, USDA, and the Community Development Financial Institution Fund. In order to

remain compliant with award guidelines, program goals include an annual target sum of technical assistance activities provided to clients, as well as a dollar amount of loans made to businesses on an annual basis.

CODI strives to achieve these goals by conducting outreach activities with local banks, municipal departments of development, the Small Business Development Center, Chautauqua County IDA, and other centers of influence.

CODI has recently initiated a successful “Business of the Week” program which highlights and promotes local businesses on our Facebook page.

We provide the Seneca Nation of Indians with credit reporting services, as well as credit counselling to members of the Nation and their families.

CODI also offers an 8-week “Small Business Essentials Training” class to aspiring entrepreneurs interested in starting their own businesses, giving them access to information & the tools needed to succeed. The program educates prospective small business owners about marketing, customer service

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and budgeting, among other things.

CODI staff consists of an Economic Development Coordinator, tasked with managing daily operations and submitting progress reports to management and funders, and a Business Development Specialist, who conducts outreach activities for prospective entrepreneurs and centers of influence and coordinates technical assistance partnerships with existing businesses.

The CODI Board of Directors is responsible for approving policies, procedures and new products, while the CODI Loan Committee reviews loan requests

for approval or denial.

EVIDENCE-BASED OUTCOMES

Since the inception of CODI, we have provided 87 business loans to entrepreneurs who otherwise would not have been able to obtain funding for their businesses. A large majority of these businesses are still in operation today.

Since 2012, CODI has provided technical assistance to 543 individuals.

Since 2016, CODI has offered 11 Business Essentials Training classes with 34 graduates.

More recently, CODI made 6 loans totaling \$95,500 in 2019, four of which were made to female-owned businesses. In the same year, four female entrepreneurs graduated from CODI's Small Business Essentials class.

That same year, CODI provided technical consulting services to 47 individuals and businesses, which included application assistance, cash flow analysis, and assistance with marketing and promotion.

Since 2001, through its Home Appliance Loan Program (HALP), CODI has provided 121 loans totaling \$120,954 to entrepreneurs for the purchase of refrigerators, ovens and washer/dryers. These individuals would have otherwise been subject to high interest rate loans offered by predatory lenders.

Whether a new business venture or an existing business looking for expansion/guidance or even someone looking for new appliance, CODI strives to meet the needs of the community it serves.

EQUITY LENS

CODI has served Hispanic community members by providing Spanish-language technical assistance, such as loan application assistance through Spanish-speaking interpreters and a Spanish-language textbook for students in our Small Business Essentials class.

Additionally, CODI has an agreement with the Seneca Nation of Indians to provide credit reporting and technical consulting services, such as cash flow analysis and credit counseling, to members of the Seneca Nation.

CODI captures all demographic information through the CAPTAIN database and Down-Home Loan software. the direct impact of TVCCA Connect on a specific customer demographic. TVCCA Connect staff is also trained in Health Equity as part of Community Health Worker certification process.

CUSTOMER VOICE

The CODI Board of Directors and Loan Committee are comprised of community members with financial and community engagement backgrounds across Chautauqua County. They are in regular contact with the people and businesses CODI strives to serve.

Many of CODI's customers are appreciative of the products and services we have provided in areas such as technical service and lending. Numerous customers have told us how refreshing it is to deal with a financial institution that still makes lending decisions locally. CODI's Loan Committee is comprised of community members with banking and/or economic development

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experience.

Our borrowers also appreciate CODI's personal customer service, which assists them with income tax preparation, business promotions and payment options, among other things.

In response to the COVID-19 pandemic, CODI offered deferment options for interest-only or principal and interest payments in April through July of 2020. This helped our customers survive the initial pandemic-

driven restrictions placed on businesses and commerce, all the while protecting the credit of our borrowers.

Since the program's inception, many businesses have inquired as to the availability of grants, only to discover that this type of financial assistance was not available from CODI. Therefore, in 2021 CODI has partnered with the Chautauqua County Industrial Development Agency to administer New York State Community Development Block Grant Program (CDBG) Microenterprise Grants to start-up and existing businesses for working capital, inventory and equipment. The program aims to create opportunities for the development of microbusinesses and promote employment opportunities for persons of low or moderate income.

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