

# Small Business News & Notes

## Microfinance: How Anyone Can Support Small Businesses, Our American Roots

(NAPSA)—Small businesses are the epitome of the American way—improving one's life and supporting a family by offering useful services and products to communities by hard-working, industrious people. According to the Association for Enterprise Opportunity (AEO), today, small businesses comprise a whopping 87 percent of all businesses in the U.S., and chances are that you know or shop at one near you. The recent emergence of Web-based microfinance in the U.S. lets anyone directly fund the small businesses that supply local communities with unique character and opportunities.

### Microfinance In The U.S.: How You Can Take Part

There are many microfinance organizations in the U.S. that make microloans, and getting involved is easy.

Kiva.org allows prospective lenders to search entrepreneur profiles and select who will receive their loan. Through Kiva's Web site ([www.kiva.org](http://www.kiva.org)), a loan of \$25 can be made to support an entrepreneur and the specific progress of the loan can be tracked from initial funding to repayment. Lenders can withdraw repaid funds or re-lend to another entrepreneur, thereby continuing the lending cycle. Other sites that facilitate online lending include Prosper, Lending Club and GreenNote.

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"The Web is a vital resource for entrepreneurs to jump-start their businesses and for individuals to directly impact small businesses," according to Premal Shah, president of Kiva.org. Kiva.org aggregates small loan amounts from several lenders—individual people—to comprise a larger loan that is then made to a small-business owner.

### Microfinance: The Bigger Picture

Microfinance provides small loans to low-income individuals or entrepreneurs. Often, a small sum of money is all that is needed to help. For example, an entrepreneur pays for supplies or covers early rental fees so that a new business can launch. Through microfinance, regular individuals have the chance to stimulate the economy by loaning to new businesses or individuals, and high loan repayment rates give lenders comfort that their initial loan amount will be recovered.

"With your computer, you can loan money to improve someone's life and then they repay the money," said Mike Messina, a paralegal and lender on Kiva.org. "It's teaching a man to fish versus giving him a fish."