

2016 ANNUAL REPORT



OUR MISSION

Founded in 1993, the Women's Opportunities Resource Center (WORC) is Philadelphia's first microenterprise program for low-income people, and one of the first in the nation. WORC provides entrepreneurial training, individual business assistance, incentive savings programs, and access to business and financial resources. Over the years, WORC's services have gained local and national recognition, receiving a number of awards and certifications, including, among others:

AWARDS



2001

Presidential Award for Excellence in Microenterprise Development – Poverty Alleviation



AEO Association for
Enterprise Opportunity
THE VOICE OF MICROBUSINESS

2005

Innovation in Technology Award



2012-2015

Inaugural Action Partner: Self-Sufficiency for Women

CERTIFICATIONS



1999 – Present

U.S. Department of the Treasury Community Development Financial Institutions (CDFI) Fund



U.S. Small Business Administration

2012 – Present

U.S. Small Business Administration (SBA) Microloan Intermediary



2015 – Present

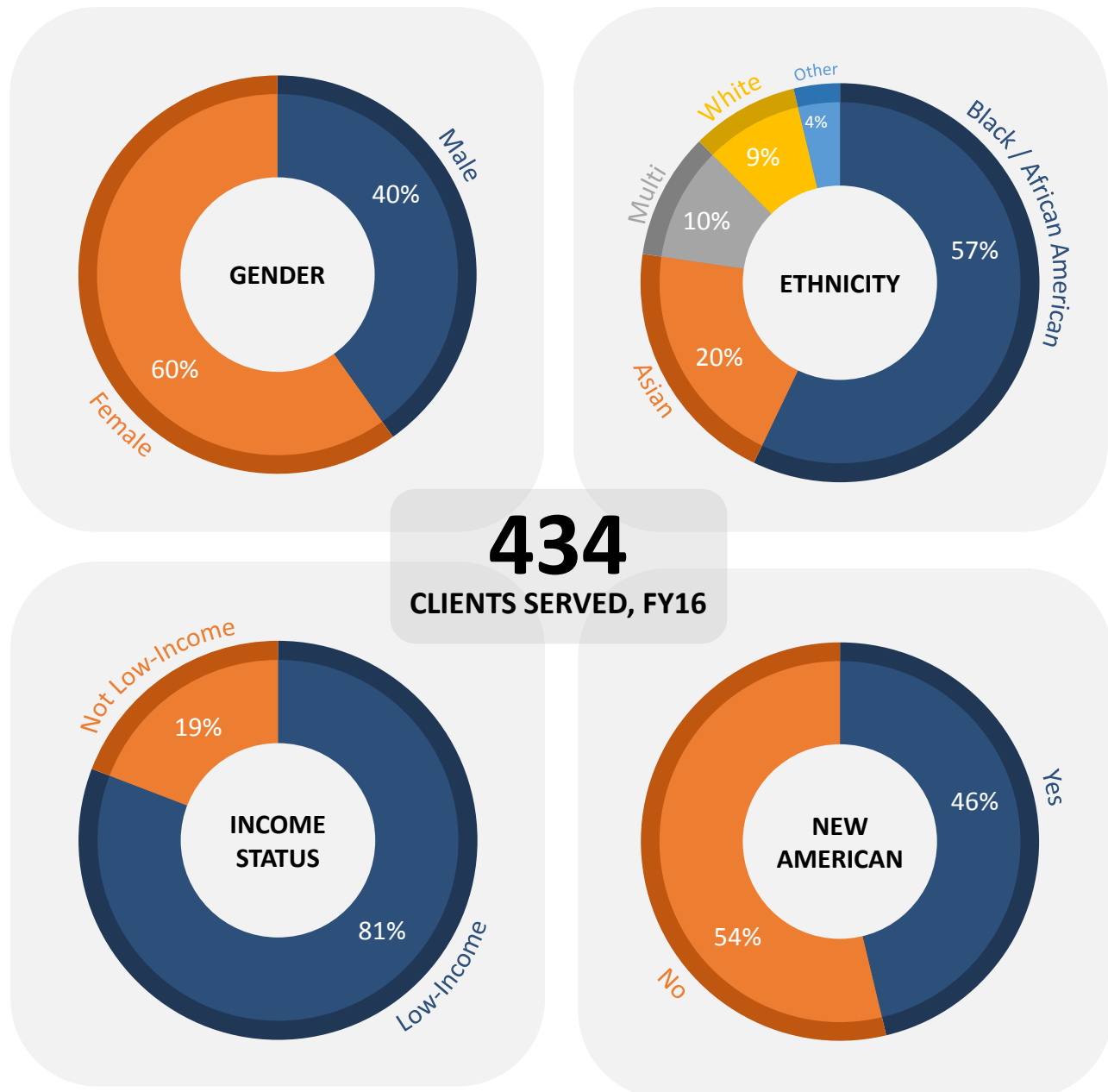
PA Community Development Bank Accredited CDFI



Women's Opportunities Resource Center
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WHO WE SERVE

WORC's training, lending, and savings programs target underserved individuals and families living in Philadelphia and the surrounding four counties. Our clients are primarily women and immigrant/refugees and their families. Clients approaching WORC typically face strong barriers to social and economic advancement, including unemployment/underemployment, poor money management and/or life skills, limited education, and/or English skills. Our programs combat the profound negative impacts that lack of financial security have on the individual, the family, and the health of the community. Our target population is broken down as follows:



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A FOCUS ON NEW AMERICANS

Among WORC's target populations are New Americans, including legal immigrants, refugees, and asylees. New American families are typically socially and economically isolated from the mainstream; WORC's range of training, lending, and savings programs brings these families out of the shadows and puts them on a path toward self-sufficiency.

Of WORC's 434 individuals served in FY16, 165 or 38% were refugees.
Countries of origin include:



Nang exemplifies WORC's asset-building approach. Nang, her two kids and husband are refugees from Myanmar and received asylum in Philadelphia in 2013. Though they aspired to own a home, Nang had no credit history and no savings. With WORC's direction the family opened a secured credit card, received Clarifi counseling, and accessed a Credit-Builder loan toward inventory for her fashion / design business. In 2015, Nang saw a spurt in sales, had \$1,900 in savings, and boasted a credit score over 700 – all critical as the family begins their search for a home.



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OUR PROGRAMS

WORC is the only organization in the Philadelphia market that integrates business microlending, incentive savings, and self-employment programs into a single asset-building approach, all under one roof. Programs include:

	← TRAINING →	← LENDING →	← SAVING →	
PROGRAM	 Self-Employment Training (SET)	 Microloan Program	 Family Savings Account	 Retirement Income Solutions
TARGET	Businesses, Start-Up & Existing		Individuals & Families	
PURPOSE	Receive training To start/run a business	Access capital to start or expand a business	Save and receive match to build assets	Financial self-sufficiency in retirement
SERVICES	<ul style="list-style-type: none"> • 36-hour Start Smart Start Green course • Focus on business planning, licensing, marketing • Specialty course for immigrants / refugees: Intro to Small Business in Philadelphia 	<ul style="list-style-type: none"> • Products: Credit Builder <\$2.5K Start-Up <\$10K Small Business term / LOC <\$20K Expansion <\$50K • Loan packaging • Ongoing business technical assistance • Referral to outside banks / resources 	<ul style="list-style-type: none"> • Participants save up to \$2k over 6-24 months with 1-1 WORC match • Proceeds used to purchase home, business, education • Finance education, asset-specific training 	<ul style="list-style-type: none"> • 4 weeks training, 6 months coaching • For women 48+ • Assess financial situations • Create action plans to increase income, maximize IRA, re-finance assets, etc.
RESULTS	<ul style="list-style-type: none"> • >3,600 individuals graduated training • 850 new businesses started 	<ul style="list-style-type: none"> • 610 microloans closed for \$2.6 mil • 1,550 jobs created / retained 	<ul style="list-style-type: none"> • 1,412 graduates • \$2.9 mil saved, \$2.9 mil match, impact of \$48.5 mil 	<ul style="list-style-type: none"> • 43 women, all 48+, over 3 cycles • 36% raise savings, 90% budget planned



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SELF-EMPLOYMENT TRAINING

Self-Employment Training (SET) turns low-income individuals into successful entrepreneurs. These comprehensive courses empower clients to build a business plan, set goals, and access financial resources. Participants are also able to access capital through the Microloan Program.

SET programs:

- **Start Smart, Start Green:** Comprises 12, 3-hour classes offered over 6 weeks and up to 8 hours of 1:1 assistance.
- **Intro to Small Business** for New Americans. Comprises four 3-hour sessions, language interpretation as needed.



SET graduate Kira, owner of Wiggle Worms hair salon for children



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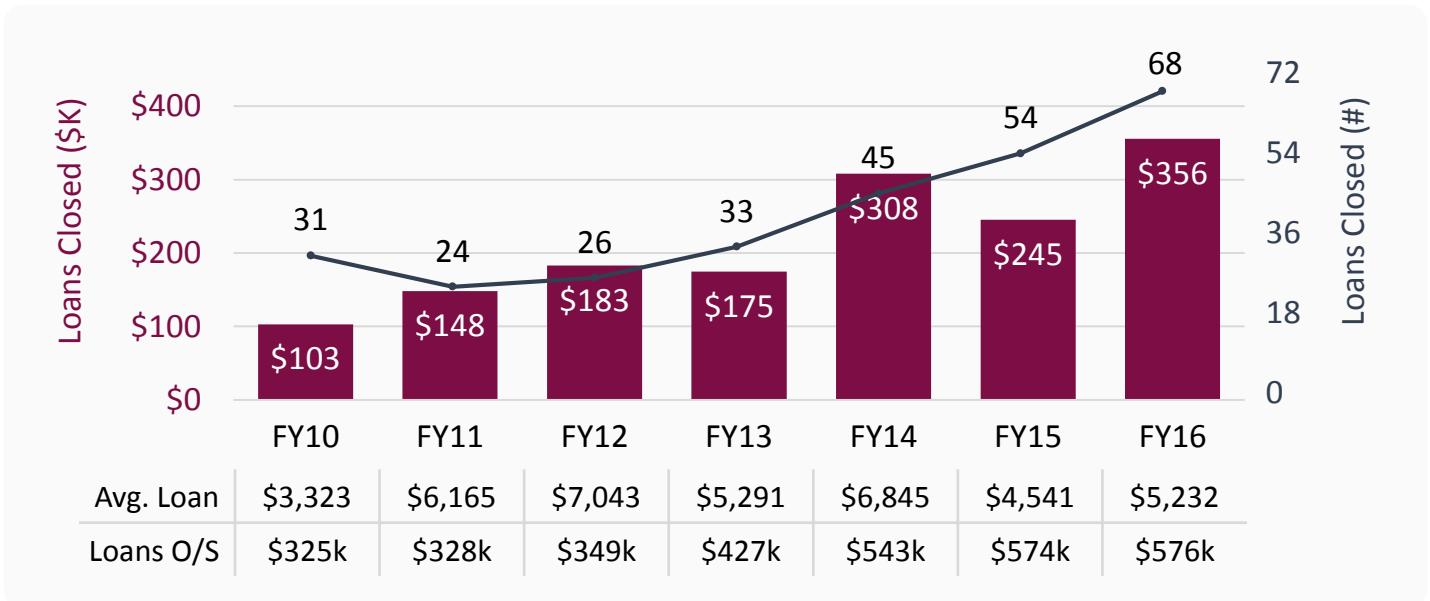
MICROLOAN PROGRAM

WORC is a certified SBA Microlender and CDFI lender, and administers microloans for business startup expansion through its own loan fund as well through the Economic Opportunities Fund (EOF), a wholly-owned subsidiary company founded in 1999. Loans range from \$1,000 to \$50,000.

WORC’s Microloan Program targets women, people of color including refugees and immigrants, and financially underserved populations – primarily low-income households as per U.S. HUD income limit guidelines. WORC has a step-lending approach structured to match entrepreneurs with the amount of capital and technical assistance they need at each point in their development. Step lending permits a borrower to handle debt levels appropriate to her/his size and capacity, while minimizing risk to the loan fund/guarantor. Current products are as follows:

LOAN PRODUCT	AMOUNT	MATURITY	INT. RATE	LOAN FEES
Credit-Builder	\$150 – \$2.5k	Up to 24 mo	Prime + 4–7%	\$50 app, \$50 commit
Startup	\$1k – \$10k	Up to 36 mo	Prime + 4–7%	\$50 app, \$50 commit
Lines of Credit	\$1k – \$20k	Up to 36 mo	Prime + 4–7%	\$100-200 app, 1-2% commit
Small Business	\$1k – \$20k	Up to 36 mo	Prime + 4–7%	\$100-200 app, 1-2% commit
Expansion	\$20k – \$50k	Up to 60 mo	Prime + 4–7%	\$400 app, 1% commit

Historical loan performance for the combined WORC / EOF portfolio is as follows:



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Yazmin, an immigrant from Puerto Rico, had very little formal education and minimal English language skills when she first came to WORC. She was referred by a partner agency, the Empowerment Group, who provided translation services during the application process. Yazmin requested a loan to open a bakery in North Philadelphia which would specialize in Spanish/Puerto Rican pastries, cakes and breads. She was approved for \$10,000 in Sept 2007 to purchase a commercial oven and additional equipment for her kitchen. Her business has been profitable since 2008 and continues to grow, with a staff of 10 employees. Over the years, Yazmin has been one of our most successful clients who has found a way to fill a need in her community.

YAZMIN

El Coqui Panaderia



ARIELLE

Amalgam Comics & Coffeehouse

Arielle opened Amalgam Comics and Coffee House. She secured a space, launched a crowdfunding campaign, and began renovations. With rapid business growth came a need for additional capital. WORC worked with Arielle and partner PIDC to create a financing package. PIDC originated a \$4,000k renovation loan and EOF provided a \$15,000 Startup Loan for inventory. Amalgam opened in December 2015 and has received glowing local and national press coverage as the first African American Woman Owned comic store in the nation, including a guest appearance by Arielle on MSNBC's Mellissa Harris-Perry Show. Amalgam has added a popular array of programs and events hosted at the café, including book readings, comics workshops, gaming nights, and dance parties.



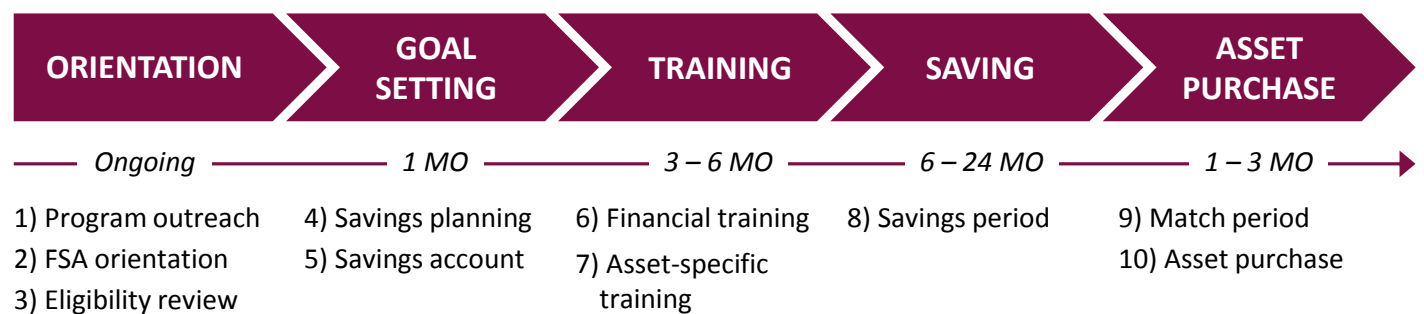
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FAMILY SAVINGS ACCOUNT (FSA) PROGRAM

The Family Savings Account (FSA) Program is a savings and match program enabling low-income individuals and families to reach economic self-sufficiency. FSA participants are matched dollar-for-dollar up to \$2,000 for the amount saved over 6 – 24 months, with the proceeds used to purchase or improve a home, pursue education, or start or expand a business.

No one spends her or his way out of poverty. Rather, research has shown that asset accumulation, education, and investment are the best avenues to breaking low-income individuals out of dependency. The FSA Program's major objective is to enable low-income individuals to begin building economic self-sufficiency. While most anti-poverty programs have focused solely on income, WORC's programs give individuals the necessary supports and opportunities to earn and save their way out of poverty, permanently.

Eligible participants include persons whose income is at/below 200% of the federal defined poverty level with net worth of <\$10K excluding a home/car. Each FSA saver flows through a program design:

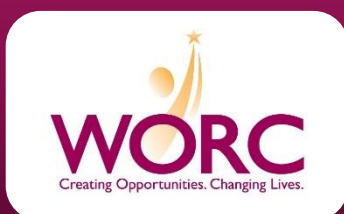


As of 9/30/16, 1,412 FSA program participants had saved \$2.9 million. When combined with match of \$2.9 million and \$42.7 in outside resources leveraged (including first-time homebuyer mortgages, educational grants, etc.), savers produced an overall economic impact of \$48.5 million.

Homebuyer Tara W.

Tara W. was interested in becoming a first-time homebuyer, but did not have sufficient savings to secure a mortgage for her desired home. In Dec 2010 she enrolled in WORC's FSA Program and began saving. Over the next year and a half she saved \$2,000, matched \$2,000 by WORC and supplemented by personal savings. Tara leveraged this capital to secure a \$140k mortgage, previously out of reach, and purchase her first home in fall 2013. Tara credits the FSA Program for putting her on a path to success.

"[I] wouldn't be able to do this without [WORC's] match program and education components. I learned a lot through this program, and look forward to using what I have learned as I become a new homeowner!"



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RETIREMENT INCOME SOLUTIONS

Retirement Income Solutions (RIS) addresses the growing realization that many mature women aged 50+ approaching retirement do not have the financial means to do so. This is a collaborative seven month program that through coursework and individualized coaching, enables these women to create specific action plans to identify and fill retirement needs – for example, bolstering income through part-time or self-employment.

Retirement Income Solutions (RIS) creates a safe space in which women 50 and older can address their financial needs. Women approaching retirement are often aware of a potential shortfall but do not act out of fear, lack of knowledge, or uncertainty of how to proceed. Without addressing these concerns, mature women are at risk of becoming poor during retirement unless they supplement their income and assets to proper levels. RIS allows these women to assess their financial situations and develop action plans to address their needs. RIS consists of two phases:

PHASE 1 – COURSE CURRICULUM

The Course Curriculum comprises four three-hour courses in a dynamic small group setting.

1) RIS Program Overview	2) Financial Assessment	3) Action Planning	4) Recap & Case Studies
<ul style="list-style-type: none">• Overview of goals• Financial planning, Social Security• Financial IQ test	<ul style="list-style-type: none">• Understand current financial situation, analyze cash flow• Review financials	<ul style="list-style-type: none">• Goal setting via one-on-one meetings with CPAs, group discussions	<ul style="list-style-type: none">• Recap action plans• Further explore self-employment options• Guest speakers

PHASE 2 – 1:1 ACTION PLAN COACHING

WORC offers each woman up to six months one-on-one coaching to further develop and implement action plans, and will also encourage graduates to enroll in self-employment training. Research has increasingly shown that financial coaching is an effective strategy for instilling financial capability (CFPB), and that coaching and counseling programs have proven to increase savings and participation in retirement plans (New America Foundation).

Partner Collaboration

RIS illustrates the power of partnership in designing and implementing the program including client recruitment, group and 1-1 instruction, and provision of workshop space. Key partners include:



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FY15-16 AUDITED FINANCIALS

The following are WORC's audited financial statements for the period running October 1, 2014 to September 30, 2015. Presented are both the Balance Sheet and Income Statement.

BALANCE SHEET

CURRENT ASSETS	2016
Cash & Cash Equivalents	\$ 372,498
Cash – Restricted	779,464
Cash Avail for Undisbursed Loans	243,004
Accounts Receivable	
Unrestricted	1,460,914
Other	7,591
Loans Receivable	492,727
Prepaid Expenses	13,350
TOTAL CURRENT ASSETS	<u>\$ 3,369,548</u>
PROPERTY, PLANT & EQUIPMENT	
Land	\$ 59,250
Buildings & Improvement	485,822
Equipment	134,719
Less – Accumulated Depreciation	304,416
NET PROPERTY, PLANT, EQUIP	<u>\$ 375,375</u>
OTHER ASSETS	
Donor Restricted Endowment	\$ 20,755
TOTAL OTHER ASSETS	<u>\$ 20,755</u>
TOTAL ASSETS	<u>\$ 3,765,678</u>

INCOME STATEMENT

SUPPORT & REVENUE	2016
Corporate	\$ 153
Government	1,260,583
Foundations	86,200
Individual Contributions	5,709
Client & Loan Fees	22,683
Interest	39,156
Other Income	1,410
TOTAL SUPPORT & REVENUE	<u>\$ 1,415,894</u>
TOTAL UNRESTRICTED REVENUES, OTHER SUPPORT	<u>\$ 1,415,894</u>
EXPENSES	
Program Services	\$ 1,136,782
Fundraising	6,000
Support Services	232,715
TOTAL EXPENSES	<u>\$ 1,375,497</u>
CHANGE IN NET ASSETS	40,397
NET ASSETS	
Beginning of Year	\$ 2,922,949
END OF YEAR	<u>\$ 2,963,346</u>



THE WORC TEAM

Our work is the combined efforts of our staff, Board of Directors, & Loan Advisory Committee.

STAFF

LYNNE CUTLER / **President**

LISA MILLS / **Director of Administration & Finance**

LARRY POPPERT / **Director of Lending & Training**

INDAH NURITASARI / **Refugee IDA Coordinator**

INJA COATES / **Lending & Training Support**

CAMILLE JOHNSON / **FSA Specialist**

JOHN MILANO / **Collections Manager**

DEVON ALLEN / **Business Development Consultant**

MARY SALDANO / **Community Loan Officer**

HOWARD JAMES / **Training Manager**

SOURAGHATA SEMEGA / **Community Loan Officer**

SINTA HITE / **Technical Assistance Specialist**

DWI SETIAWAN / **FSA Contract Compliance**

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VP, SCORE Association, Northeast Region

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PNC Bank

MADELEINE KESSLER

Banking and Non-Profit Executive

JENNIFER LEITH / **Secretary**

The Douty Foundation

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Welcoming Center for New Pennsylvanians

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Center City Dental Arts

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Human Services Consultant

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Women's Opportunities Resource Center

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Marketing Strategy Consultant

LINDA LEGGETT

Simply Beautiful Hair Designs

VEDER M. REDDICK

Customers Bank

STAN SMITH

SMITH HOUSTON

TRACIE YOUNG

Republic First Bank



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SUPPORTERS

Thank you to WORC's investors and donors for making this important work possible.

GOVERNMENT

City of Philadelphia Commerce Department

Pennsylvania Department of Community & Economic Development (PA-DCED)

U.S. Department of Health & Human Services, Office of Refugee Resettlement (U.S. HHS ORR)

U.S. Department of Health & Human Services, Office of Community Services Assets for Independence (AFI)

U.S. Small Business Administration (SBA)

U.S. Treasury Department Community Development Financial Institutions Fund (U.S. CDFI Fund)

FOUNDATIONS

Allen Hilles Fund

Bank of America Charitable Foundation

Citi Foundation

Citizens Bank Foundation

Clayman Family Foundation

Connelly Foundation

Corporation for Enterprise Development

Dolfinger-McMahon Foundation

Equal Measure

Fox Chase Charitable Foundation

The Memton Fund

The Patricia Kind Family Foundation

The PEW Charitable Trusts

The Philadelphia Foundation

PNC Foundation

Republic Bank

Samuel S. Fels Fund

Santander Bank Foundation

United Way

Wells Fargo Foundation

Women of Vision

Woori America Bank

Women's Way



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