



**NORTHERN INITIATIVES**  
Money and Know-How

2022



# ANNUAL REPORT



INVESTING IN SUCCESS

[NORTHERNINITIATIVES.ORG](http://NORTHERNINITIATIVES.ORG)

# LETTER FROM ELISSA: RETURN TO MORE NORMAL LENDING

I was working in a corner of our Battle Creek office one morning last fall as an excited customer was closing his loan. It was a happy and fun, albeit normal, scene. And that's what I loved. It was *normal*.



Last year Northern Initiatives saw a return to more normal lending. We focused on helping small businesses start and grow, worked with entrepreneurs to build their dreams, and strengthened our industry for future generations.

Since I started at Northern Initiatives in March 2020, there has never been normal lending. We spent three years plugging leaks; now we're building. And evolving!

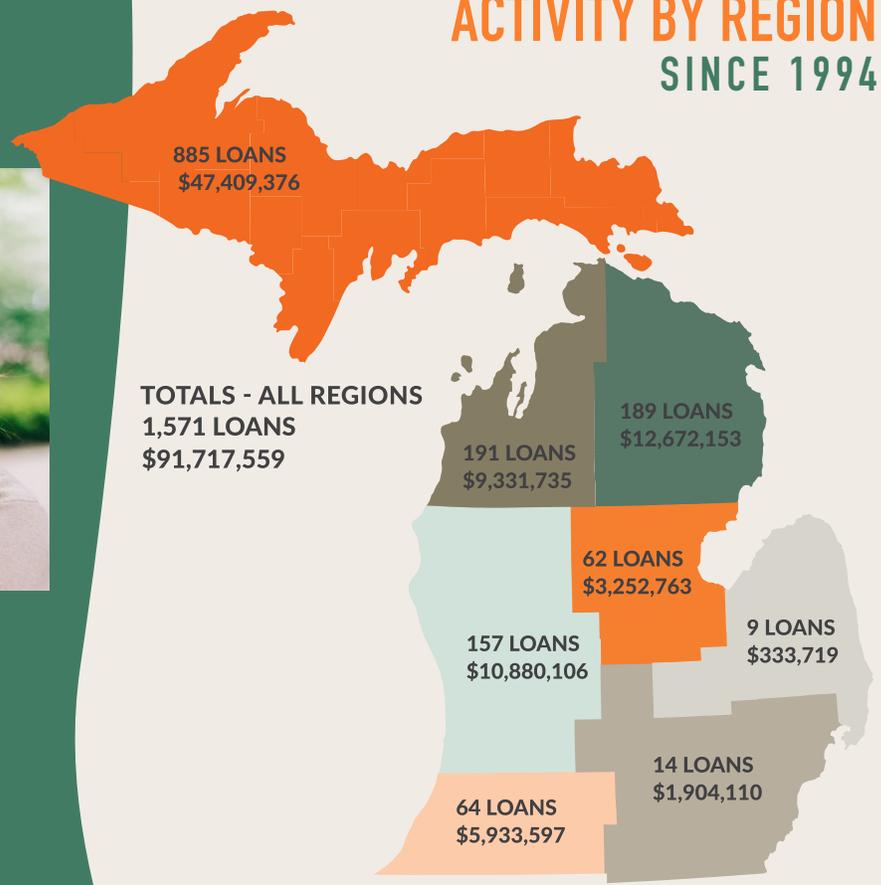
In 2022, Northern Initiatives:

- Moved our Marquette office to an “innovation hub” of partners, in the historic Kaufman Building downtown.
- Welcomed our first bilingual (English/Spanish) lender, Norma Jazwinski.
- Gathered our team for two retreats. We're spread out from the Rockies to the Atlantic Ocean, and it was the first time many coworkers met each other in person.
- Continued our work on conflict styles and Diversity, Equity and Inclusion, both with our staff and board members.
- Selected to be part of the Shared Success Job Quality Program, funded by the Aspen Institute and the Bill and Melinda Gates Foundation.

This year, Northern Initiatives is celebrating 30 years of impact as we approach \$100 million in loans. We're glad you're with us.

**Elissa Sangalli**  
PRESIDENT

## CUMULATIVE LOAN ACTIVITY BY REGION SINCE 1994



## TOP 20 COUNTIES SERVED IN 2022

Calhoun	\$1.15M
Kent	\$890,000
Kalamazoo	\$754,827
Clare	\$402,000
Lenawee	\$351,000
Mecosta	\$319,000
Isabella	\$291,000
Schoolcraft	\$269,000
Emmet	\$232,000
Newaygo	\$225,000
Crawford	\$224,000
Delta	\$189,000
Wexford	\$186,000
Kalkaska	\$179,000
Otsego	\$168,000
Ingham	\$160,000
Marquette	\$150,000
Osceola	\$144,000
Grand Traverse	\$131,000
Leelanau	\$124,000

# INVESTING IN AMBITION



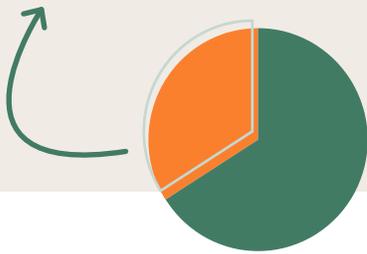
Matt Tracy, Blink Cabling and IT, Mount Pleasant

## BLINK CABLING and IT

Matt Tracy knew he had a skill Michigan needed - installing fiber and cable for broadband Internet. He even had the equipment to do it, but it was all rented. The Tracy family - two generations are owners of Blink Cabling and IT - teamed up with Northern Initiatives and State Savings Bank for gap financing so Matt didn't miss a mile on a lucrative contract he'd been awarded.

"Having the loans saves us about half the cost of renting the equipment," Tracy said by phone from the snowy side of a road. In the winter, he has a core crew of five working "from dawn to dusk," this year in the Thumb. In the summer, he'll have a crew of up to 14 people and he tries to keep them to 12- to 13-hour days "so we don't get tired."

Tracy served in the U.S. Army from 2002-2015, with seven deployments on four continents. After his service he worked with another cabling company, adding to the knowledge he'd gained in the Army, then made the jump to starting his own business. His parents, Elisa and Stephen Tracy, and his wife Danielle Kennedy are all co-owning members and managers. "This is truly a family-owned business, with all owners fully engaged and committed to its success," said Commercial Lender Lucy McCraven. "Their energy is impressive."



**67% OF CUSTOMERS WERE  
STARTUPS IN 2022**

## SCOOPS A DAISY

Taylor Partain had always dreamed of owning a business and had always worked in food service, so a food truck made perfect sense. Scoops A Daisy, in an adorable customized trailer and named after Partain's daughter, serves happiness.

"In life, when you're positive and happy, it spreads," Partain said. "I'm spreading happiness with ice cream."

She's also creating "a small business that goes on for generations." Daughter Daisy, 4, already loves to set up an ice cream shop in the living room.

When it came time to finance her startup, Partain asked USDA Rural Development, where she has a home loan, if they knew of loans for low-income people starting a business. Northern Initiatives paired with Scoops a Daisy like ice cream pairs with sprinkles.

Scoops a Daisy's opening was rough, but one shining moment came on the second day, when Partain's husband David, in a MacGyver-like moment, invented the ice cream recipe that has taken the Upper Peninsula by storm. Even the crabbiest customers feel happy after eating it, Partain said.



Daisy Partain, daughter of owner Taylor Partain, Scoops A Daisy, Manistique

# INITIATE HIGHLIGHTS



**1,600**  
ENTREPRENEURS  
SUPPORTED



**14,000**  
RESOURCES  
UTILIZED

All of the resources in Northern Initiatives' learning portal Initiate - now and in the future - are in Spanish and English. New resources launch simultaneously in both languages - tutorials, videos, worksheets and all.

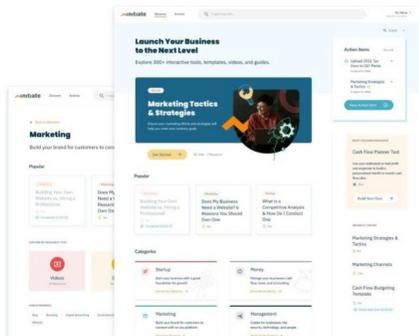
Todos los recursos de Initiate, ahora y en el futuro, están en español e inglés. Se lanzan nuevos recursos simultáneamente en ambos idiomas: tutoriales, videos, hojas de trabajo y todo.

## 2022 WAS ANOTHER STRONG YEAR FOR INITIATE

Each new Initiate user is one more entrepreneur supported. Each new Initiate subscriber can mean hundreds of entrepreneurs are supported. Our subscriber base continues to grow, which means more entrepreneurs are building successful businesses - and that is the heart of Initiate.

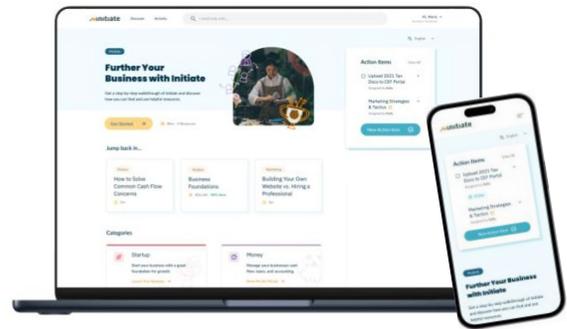
## INITIATE USERS ARE DRIVING THE INNOVATION OF INITIATE

Our users are Initiate's most valuable resource and they have been the key to its growth. We are especially indebted to them for their help in developing the new version of Initiate. Here's some of their feedback:



"You all took your clients' suggestions and experiences to heart. We feel heard and supported."

"I am so excited for the site updates that are on their way. I can tell that you all listened closely and are implementing our feedback."



## SPEAKING OF THE NEXT VERSION OF INITIATE . . .

A generous OFN CDFI Technology Grant - supported by Google.org - is helping us develop the next version of Initiate. Using invaluable suggestions from our customers and massive amounts of research, we're building a guided path that meets entrepreneurs and small businesses where they are. Coaches and advisors will have more tools to engage learners, and more data to help steer the course. Resources are easier to organize, especially on mobile.

As part of the Technology Grant Program, we've been paired with a pro bono coach from Google.org who is helping accelerate the project and ultimately bring it to life.

EN

ES

INITIATE IS NOW 100% IN ENGLISH & SPANISH  
INITIATE AHORA ES 100% EN INGLÉS Y ESPAÑOL

## TOP 10 RESOURCES



1. YOUR GUIDE TO CREATING AN LLC



2. 10 THINGS EVERY STARTUP BUSINESS SHOULD KNOW



3. HOW TO MANAGE YOUR BUSINESS FINANCES



4. ACCOUNTING DEFINITIONS



5. YOUR STARTUP CHECKLIST



6. APPLYING FOR A BUSINESS LOAN | WHAT LENDERS LOOK FOR



7. SMALL BUSINESS FUNDING OPTIONS | GETTING THE FINANCING YOU NEED



8. FINDING THE IDEAL PRICE FOR YOUR PRODUCTS



9. BUSINESS PLAN TEMPLATE



10. CHOOSING A SOCIAL MEDIA PLATFORM

# INVESTING IN SUCCESS



Northern Initiatives has always supported our customers before, during and after their loan, but now we've diversified our offerings and expanded our outreach far beyond our customer base.

## ENTREPRENEUR EDUCATION

Lori Olsen is a first-time business owner and a graduate of Northern Initiatives' FastTrac Business Planning cohort. The 10-week course includes lessons about legal structures, target markets, and financials, but also the development of a business plan.

"The knowledge gave me the confidence to move forward. I also learned how much more there was to focus on," Olsen said of the course, which helped her open a bricks-and-mortar Aspidistra Naturals shop in downtown Battle Creek.

The FastTrac course, as well as a Business Bootcamp offered twice a year, are free - and popular. There are cohorts in Battle Creek and Kalamazoo, with more planned. Online business bootcamps teach financial statements, goals, budgeting, and cash flow to our customers throughout the state.



Lori Olsen, Aspidistra Naturals, Battle Creek

## KEEPING COMMUNITIES THRIVING

Northern Initiatives and the Michigan Economic Development Corp. (MEDC) are working with community developers, local governments, and other professionals to increase access to Initiate, making it available to main street businesses as a business retention tool. We "Train the Trainers" to help their businesses stay healthy, which helps their communities thrive.

## MINI-GRANTS FOR MAXIMUM HELP

We distributed close to \$500,000 to businesses around Michigan, with the help of partners who trust us to administer their grants.

- 161 Michigan Main Street businesses got a technology audit, customized coaching, and up to \$2,500 each for tech needs through MEDC's Optimize Main Street program. Total = \$399,056
- 10 small businesses received TCF/Huntington mini grants ranging from \$500 to \$1,000 to help offset costs from the still-lingering pandemic. Total = \$8,000
- Entrepreneurs in the Battle Creek region who completed Entrepreneur Education courses and met other qualifications and milestones received startup grants. The funds for these small businesses came from the Binda Foundation and the W.K. Kellogg Foundation. Total = \$49,250



Jessica Nagel, J.bird Provisions, Charlevoix

# INVESTING IN COMMUNITIES

## DABNEY & CO.

Daniel May organized community celebrations in Kalamazoo for years, including a Juneteenth bar crawl that made a big impression. “There was a lack of space for People of Color to feel safe and comfortable,” he realized. So he created that space.

Dabney & Co., a downtown Kalamazoo cocktail lounge, pays homage to the Black mixologists and service staff “who built this industry,” May said, like John Dabney, a slave who bought his freedom with tips he made creating “hailstorm” mint juleps.



Daniel May, Dabney & Co., Kalamazoo

“What’s beautiful about Dabney and Company is that it is a full embodiment of the work that we have done in this community over the last few years of creating elevated spaces for people of color and allies alike to join together and have a great time,” May told MLive. He said part of doing that is through paying a substantial, livable wage in an industry where workers are often exploited. The base pay for staff at Dabney & Co. is \$16 per hour, compared to \$3.84 per hour, which is the state minimum for tipped workers.



Jonathan Frantz, left, and Jonathan Farman, Sip Coffee and Cocktails, Grand Rapids

## SIP COFFEE AND COCKTAILS

Jonathan Farman and Jonathan Frantz live and work in the Alger Heights area of Grand Rapids and they knew what the neighborhood needed. A community-wide survey backed it up.

“They need a community spot to gather!” said Farman. “There’s not a coffee shop within five miles, not one in Alger Heights.” But when detail man Frantz started crunching the numbers, they realized they needed something more. “A coffee shop was going to happen but adding a spot for people to gather and socialize with drinks made the idea click,” said Frantz. Sip Coffee and Cocktails held its grand opening in December and the community has indeed gathered.

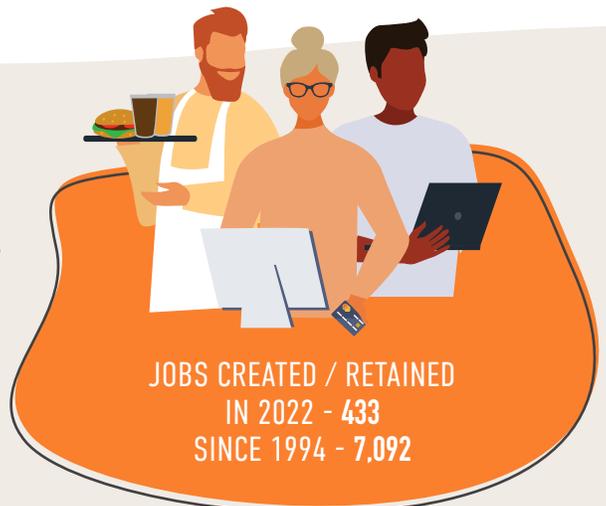
Neighbor Alex Abramajtys agreed. “What an awesome locally owned spot in Alger Heights. This inclusive establishment has some cool art and decor, and fantastic coffee.”

## DIVERSITY

### DIVERSE CUSTOMERS



In 2022, we increased our lending to diverse borrowers (veterans + women + People of Color) from 60% to 67% and increased lending to entrepreneurs of color by 10%.



**JOBS CREATED / RETAINED**  
**IN 2022 - 433**  
**SINCE 1994 - 7,092**

# INVESTING IN THE FUTURE



We always talk to our customers about building generational wealth, and we decided that can work for CDFI advocacy too. We want to ensure CDFIs and their work can continue for generations. We are working to shape the future!

Formed in 2022, the Michigan CDFI Coalition brings together the State's CDFIs to build their capacity, stability, and long-term success so they can continue helping underserved communities. Elissa Sangalli is the chair of the Coalition.

Also in 2022, we helped usher (and clarify) the State Small Business Credit Initiative (SSBCI) guarantee, part of the 2021 American Rescue Plan. The funds guarantee up to 80% of a loan, giving an "extra layer of confidence" to our investors, Sangalli said.

We worked with the MEDC to create the Michigan CDFI Fund. The fund has \$75M to be deployed throughout the state, with 80% of it destined for financial products.

1994  
1,571 LOANS SINCE 1994

2023  
2023: APPROACHING \$100M IN LOANS & 30 YEARS ON THIS PLANET

WE WANT TO REACH EVEN MORE PEOPLE IN 2023 - AND YOU CAN HELP. PLEASE REFER COLLEAGUES AND FRIENDS TO US, SUBSCRIBE TO OUR NEWSLETTER, AND FOLLOW US ON SOCIAL MEDIA. WE APPRECIATE YOUR SUPPORT AND DONATIONS.

**NORTHERNINITIATIVES.ORG**

Northern Initiatives is an equal opportunity provider, employer and lender.

## SUPPORTING PARTNERS

- |   |  |   |
|---|--|---|
| Association for Enterprise Opportunity  | Kellie and Brian Hoffman                                 | PNC Bank                                    |
| Battle Creek Unlimited  | Ann and Fred Joyal                                       | Sara Proano                                 |
| Sara Bednarek   | Patrick J. Klavon  | Bob Rapoza                                  |
| Guido A. and Elizabeth H. Binda Foundation  | Natasha and Matt Koss                                    | Christine and Steve Rector                  |
| Amanda and Dan Blondeau   | Lake Effect Associates                                   | Roger Rinsel, Hyde Services, LLC            |
| Judy and Kevin Boyle  | Kathy and Tom Leone                                      | Michael Roy                                 |
| Kayla Britting  | Lundin Foundation  | Rural Local Initiatives Support Corporation |
| Capital Impact Partners   | Kathy Mason and Sheldon Riner                            | Quality Systems Associates                  |
| Colleen and Scott Duflo   | Mary and Wesley Maurer Jr.                               | Elissa Sangalli                             |
| Community Development Financial Institutions Fund   | James and Lucy McCraven                                  | Rajib Sanyal                                |
| Community Foundation for Muskegon County  | Chandra McMillion  | Jesse Schramm                               |
| Community Reinvestment Fund   | Janie McNabb and Chris Wendel                            | Deborah Schultz                             |
| Department of Health and Human Services, Administration for Children and Families, Office of Community Services | Michigan Certified Development Corporation               | Brian Sheridan, Steward and Sheridan, PLC   |
| Fifth Third Bank  | Michigan Department of Agriculture and Rural Development | Sustainable Communities Fund                |
| Meredith Freeman  | Michigan Economic Development Corporation                | Jodee Taylor                                |
| Fremont Area Community Foundation   | Michigan Good Food Fund                                  | Kate Teeter and Alec Lindsay                |
| Terri Govern  | Michigan Manufacturing Technology Center                 | TCF Bank                                    |
| Grand Rapids Community Foundation   | Michigan State University                                | The Aspen Institute                         |
| Grant Traverse Regional Community Foundation  | Jill Miller  | Chip Truscon                                |
| Peter Graves  | Northern Michigan University                             | Upper Peninsula Power Company               |
| Audrey and Ron Grzywinski   | Opportunity Finance Network                              | US Small Business Administration            |
| Mary Houghton   | Michael Oman   | USDA Rural Development                      |
| Huntington National Bank  | Petoskey Harbor Springs Area Community Foundation        | Bob Valentine                               |
| Chuck Hurst   | Pam Porter, Stepping Stone Partners, LLC                 | Mary and Chuck Van Loan                     |
|   |  | Wege Foundation                             |
|   |  | Wells Fargo                                 |
|   |  | Kayla and Dennis West                       |
|   |  | Mark Williams                               |
|   |  | W.K. Kellogg Foundation                     |