City of Rochester Case Study

After the Rochester’s main employer, Kodak, officially shuttered its plant in 2011, the city’s citizens and leadership were looking for mechanisms for local investment. Small businesses were suffering in a loan-desert landscape that did not provide ready access to financing. The city government looked to Kiva as a way to bring in needed investment, whose mission aligned well with Mayor Warren’s key initiatives.

Kiva’s partnership with the City of Rochester officially launched in 2016 under the guidance of Mayor Lovely Warren. In 3 years, it has provided more than $570,000+ in loans to 100+ local small businesses. Attracted to Kiva’s 0% interest financing and trusted brand, Rochester raised $100,000 to launch a managed loan fund to help local entrepreneurs on Kiva, targeting some of the city’s most impoverished neighborhoods. The data speaks to the impact the program has had: 83% have household incomes below $50,000 and 64%+ are minority-owned. Service and food businesses in particular have benefited. In addition to being a Hub, Rochester also serves as a Trustee, providing technical assistance and matching funds to help the entrepreneurs they endorse on Kiva. With an 82% repayment rate, the city uses a community-based strategy to encourage repayment.

Rochester employs a Capital Access Manager to help local entrepreneurs navigate the Kiva loan application, fundraising, and repayment processes. Previously, the city has leveraged the manpower of Americorps VISTAs (a volunteer program supported by the Federal government) to manage the program out of the Department of Innovation. Very hands-on with their Kiva program, Rochester offers weekly office hours to meet with potential borrowers and has developed an in-depth Kiva guide for potential entrepreneurs.

Today the City uses the loan program as a way to attract marginalized entrepreneurs to engage with other technical assistance programs like pro bono legal assistance and financial counseling, with Kiva helping generate 3x in referrals. Rochester continues to see the value in the Kiva partnership and seeks to expand their impact even further over the next few years.

The Manager of the Kiva Rochester Initiative, Amy Ventura, notes the program has been a “mutually beneficial partnership” with “Kiva bringing the brand, backend, resources, and framework to lend, while the city has the people and the business owners that need the resource.” Ventura highlights that Rochester “has been able to take ownership and claim success of the program while serving mayoral priorities. We have developed a whole strategy around the program to deploy it in a way that makes the most sense for our community.”