

EDA RLFs—Performance Evaluation

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**Rutgers, The State University of New Jersey
Edward J. Bloustein School of Planning and Public Policy
Center for Urban Policy Research (CUPR)**

Robert W. Burchell, Ph.D.
William R. Dolphin, M.A.
Catherine C. Galley, Ph.D.

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Executive Summary

The Public Works Economic Development Act of 1965 (PWEDA), passed by Congress in that year, authorized the Economic Development Administration (EDA) to provide grants to create and retain existing private-sector jobs and to stimulate business development in economically distressed areas of the United States. In 1974, Title IX authorized grants for Revolving Loan Funds (RLFs). The EDA Reform Act (1998) reauthorized EDA's programs for five years, without altering its mission. Under the 1998 act, RLFs are administered through EDA Section 209, Grants for Economic Adjustment (formerly Title IX). An RLF is defined as a capitalized fund for making loans to small-business projects in accordance with local economic development strategies.

RLF grants are awarded to local agencies, which, in turn, provide and manage loans. The grantee's initial loan pool includes the EDA grant (usually 75 percent of the initial loan pool) and funds obtained from non-EDA local sources (usually 25 percent of the initial loan pool). The grantee's fund is replenished by loan repayments plus interest. As the fund is replenished, loans are made available to additional projects. As long as funds are used consistent with the purpose of the grant, the grantee is not required to reimburse EDA for the amount of the grant, even after its fund has been replenished by repaid loans. Indeed, the grantee may choose to sell off its portfolio of loans after the loan pool has exceeded the original amount of the EDA grant *plus* the matching share provided by local sources.

To be eligible for an RLF grant, an RLF grantee must meet one of the following three area distress criteria: unemployment must be 1 percent higher than the national average; per capita income must be less than 80 percent of the national average; or there must be a special need, such as severe long- or short-term unemployment. Grantees must comply with local laws, market loans to minorities, and administer grants prudently, including providing regular status reports.

A grantee must certify annually that loans are in accordance with an RLF Plan (a technical document analogous to a business plan) and that the RLF Plan supports the local region's Comprehensive Economic Development Strategy (CEDS)—a unique detailed plan for promoting sustainable economic development in an area.

The Study and the Database

This is the most comprehensive analysis of the EDA RLF program undertaken to date. It examines the activities of 422 EDA grantees, who have issued nearly 11,600 loans.¹ Those loans are in grantee port-

¹ At the time of the evaluation, approximately 28 grantees had their loan funds repaid and were no longer required to submit detailed information on their loan portfolio. Each of these grantees has been in the RLF business for a long period of time and most have had their loans recapitalized. Thus, they are successful RLF programs whose initial grant amount has been long since repaid and they are not required to report semiannually at the loan level. All are up and running and all have leveraged private-sector funds.

Table 1
The Context of EDA RLF Projects at Time of Application
(422 Grantee Sites (Counties))

Context Variable	Median	Median Ratio to State	Median Ratio to Nation
Per Capita Income	\$12,881	0.9	0.9
Below Poverty Level	14.4%	1.1	1.1
Minority	8.5%	0.8	0.4
Unemployment Rate	7.8%	1.1	1.1

Sources: EDA RLF Semiannual Reports, October 1998, and U.S. Census of Population and Housing 1990.

folios that were active as of October 1998; this is not an evaluation of a sample of loans but rather an evaluation of the universe of loans outstanding at that time. Most information comes from the EDA Semiannual Report. In some cases where the loan pool has rolled over (that is, the loan pool has been replenished by most recipients and, with interest minus bad debt, exceeds the original amount), an annual report with less information is the primary source of data.

County-level data have been obtained on context variables (income, poverty level, minority population, and unemployment rate) at the time of the loan or for the decennial point representative of most loans (the 1990 census). All other variables come from grantee (N = 422) or loan (N = 11,600) data. The median is the usual measure of central tendency and all summary data are in constant 1998 dollars. Grant amounts in grantee profiles are left in the original dollar amounts at the time of grant issuance. Cost per job is in 1998 dollars.

The Context of RLF Loans

RLF loans take place in counties where the median per capita income is 90 percent of the state and federal averages. In dollars at the time of data collection, median per capita income is approximately \$12,887 in counties with EDA RLF grantee sites (Table 1).

RLF loans take place in counties in which the share of the population with incomes below the poverty level is 10 percent higher than the state and/or national average. In these counties, the percentage of the population with incomes below the poverty level averages 14.4 percent (Table 1).

RLF loans take place in counties where the proportion of minority populations is 20 percent below the statewide figure and 40 percent below the national average. The median percentage of minority populations in EDA RLF counties is approximately 8.5 percent (Table 1).

RLF loans take place in counties where the median unemployment rate is 10 percent higher than the state and national averages, a median rate of 7.8 percent (Table 1).

RLF Characteristics

Close to one-half of the 11,600 EDA RLF loans, as of October 1998, were made in the Philadelphia and Seattle regions. That amounts to 48 percent or approximately 5,500 loans (Table 2). The largest proportion of EDA RLF loans are for expansion (55 percent, or approximately 6,300 loans) as opposed to start-up or retention purposes and are given to manufacturing (49 percent, or approximately 5,700 loans)

Table 2
RLF Characteristics

Characteristic	Largest Distribution of Loans	Percentage of All Loans (%)	Number of Loans
Region	Philadelphia and Seattle	48	5,500
Purpose	Expansion	55	6,300
Type	Manufacturing	49	5,700
Program	LTED	72	8,300
Year	Mid- to late- 1980s or 1990s	73	8,450

Source: EDA RLF Semiannual Reports, October 1998.

Table 3
Calculating Leverage Ratio

Loan Information	Median
RLF Loan Amount	\$56,601
Total Loan Amount	\$176,319
Leveraging Ratio	2.12 to 1

Source: EDA RLF Semiannual Reports, October 1998.

as opposed to commercial or service businesses. Seventy-two percent (or approximately 8,300) of the loans were made as part of EDA's Long-Term Economic Deterioration (LTED) program and 73 percent, or approximately 8,450 loans, were made either during the mid- to late-1980s or during the mid- to late-1990s, as opposed to earlier periods in each of those decades or before 1980. This is a function of both sustained or increasing EDA commitment over time as well as the relending activities of repaid older loan funds.

RLF and Total Loan Amounts and Leverage Ratios

The median RLF loan issued by EDA grantees is approximately \$56,600. Often that amount is packaged with other private and public moneys to provide a total amount of money that the loan recipient uses to undertake or sustain a business venture. The median of this total loan amount is \$176,319. The proportion between the non-RLF and RLF portions of the mon-

ies accessed by the loan recipient is the leverage ratio. If the median amounts are used, this figure is approximately 2 to 1 (Table 3).

Loan Pool and Disbursement

Of the 422 RLF grantees reporting, 414, or 98 percent, established a loan pool. The remaining 8 grantees returned most or all of the grant to EDA. Of the 414 grantees that established a loan pool, all of them, or 98 percent of the 422 original grantees, reported that their loan pool helped their areas create or retain permanent jobs (Table 4).

EDA would like the grantee to fully disburse their loan pool during the first three years after receipt of EDA funding. Currently, grantees are taking a median of 3.5 years from the time of receipt of funding from EDA, or 3.5 years from the time of issuance of their first loan.

Preloan Jobs, Jobs Created/ Saved, and Cost per Job

RLF loans are made to small businesses for start-up, retention, or expansion purposes. When just the last two categories are considered, the median number of preloan employees is about six (Table 5).

Table 4
Loan Pools and Disbursement Schedule

Administrative Information	Number of Loan Pools	Percentage of Total (N=422)
Loan Pool Up and Running	414	98.0
Loan Pool Helped Create Jobs	414	98.0

Time to Loan Disbursement	Median Number of Years
Years from Initial Disbursement	3.5
Years from First Loan	3.5

Source: EDA RLF Semiannual Reports, October 1998.

Table 5
Jobs Created/Saved and Cost Per Job

Job Information	Median
Preloan Jobs(excluding start-ups)	6.0
Jobs Created/Saved	8.0
Cost per Job	\$936

Source: EDA RLF Semiannual Reports, October 1998.

After the RLF loan is received, the median number of new employees added is eight. In other words, as a direct result of the RLF loan, the average employment at a site more than doubles. For every preexisting employee, RLF loans create 1.33 new jobs.

EDA cost per job created or saved is calculated at the grantee level as of October 1998. The cost of the RLF program at the grantee level is the sum of the RLF grant and the opportunity cost of disbursing the grant minus the current capital base, which includes repaid and committed RLF funds not yet disbursed, RLF funds reserved for loan guarantees, and the outstanding RLF principal on the active loans.² At the grantee level, the cost per job is the total cost of the EDA program divided by the number of jobs created or retained by the loan recipients. The annual interest rate charged is the average 30-year federal Treasury bill rate for the year in which EDA funds were given.

² See cost calculation procedure on pages 12 and 37.

Table 6
Interest Rate Charged

	Median	Range Over Time
Loan Interest Rate	7.50%	6.0%–10.0%
Percentage below Prime	1.25%	0.15%–5.75%

Source: EDA RLF Semiannual Reports, October 1998.

The EDA share of the total RLF grant is approximately 75 percent. The median EDA cost per job is about \$936 as of October 1998.

Loan Terms

The median interest rate charged to RLF loan recipients during the period from the mid-1970s through the mid-1990s was approximately 7.5 percent. The rate varied from a peak of 10 percent during the mid- to late-1970s to a low of 6 percent during the early 1990s (Table 6). The interest rate of 7.5 percent for the period was approximately 1.25 percent below the prime rate³ for the same period: the percentage below prime varied from a high of 5.75 percent during the mid- to late-1970s to a low of 0.15 percent during the early 1990s.

³ See definition of “prime rate” on page 43.

Table 7
Loan Performance

Default/Write-Off Rate (mean)	8.6%
Decade Loan Pool Growth (median)	11.0%
Combined Index (median)	1.04

Source: EDA RLF Semiannual Reports, October 1998.

Performance of Loans

Loans for which a payment has not been made for more than two months are in default. Others with six or more months of nonpayment are written off. The mean rate of default/write-off for RLF loans is 8.6 percent (Table 7). This is only about 5.6 percentage points higher than the default rate of standard commercial mortgages (3 percent). That is a remarkable figure since most of the RLF loan recipients were high risk, that is, were turned down by commercial banks or mortgage companies or never applied for a loan because they knew they would be turned down.

Another measure of loan performance is growth of the loan pool. In other words, is the money fund increasing over time? The definition of fund composition is principal and interest repayments minus bad debt. On average, the loan pool grows in simple terms (not compounded) at a rate of 1.1 percent per year. In 10 years the loan pool is 11 percent larger than it had been at its beginning (Table 7).

A final index of performance involves decade growth divided by the default/write-off rate. A figure greater than one is better than a figure less than one. Overall, the index is 1.04 (Table 7).

Employment and Ownership Diversity

On average, RLF loans produce employment that is 17 percent minority (African American, Asian, Hispanic, Native American) and 20 percent women

Table 8
Employment and Ownership Diversity

	Median
Employment	
Minority	17.0 %
Women	20.0 %
Ownership	
Minority	2.1 %
Women	7.1 %

Source: EDA RLF Semiannual Reports, October 1998.

(Table 8). These two figures overlap and therefore are not additive.

Further, EDA RLF loans produce businesses that in 2.1 percent of the cases are owned (more than 50 percent) by minorities and in 7.1 percent of the cases are owned by women.

Conclusion

After reviewing 11,600 loans disbursed by 422 EDA grantees, the following facts are in evidence:

- RLF loans occur in environments that are considerably worse than the environments in which conventional loans occur.
- RLF loan pools are successfully established in 98 percent of the cases and create or retain jobs in 98 percent of the cases.
- RLF grantees generally distribute all of their moneys in about 3.5 years, which is six months longer than the timeline preferred by EDA.
- The median RLF loan is \$56,601 and is part of a median total loan amount that is three times this figure (\$176,319).

- Loans have historically been given at a median interest rate of 7.5 percent, and at a median of about 1.25 percent below the prime rate.
- RLF loans are used by existing businesses whose median preloan employment size is six. After the loan is received, a median of eight new employees are added per loan site.
- The median EDA cost per RLF job is \$936; total cost per job (all public moneys) is \$1,276.
- The default/write-off rate on RLF loans is 8.6 percent. RLF pools grow at a rate of 1.1 percent annually. In 10 years, loan pool growth exceeds loan pool losses by 4 percent.
- RLF loans produce minority and female employees at a rate of 17 percent and 20 percent, re-

spectively. They produce minority and female owners at a rate of 2.1 percent and 7.1 percent, respectively.

RLF loans enable businesses to prosper that would not have prospered under conventional lending guidelines. The program is successful in almost every instance that a loan is given, and it produces jobs at minimal investment by the taxpayer. The program further provides employment access to minorities and females at ratios of about one in five each and provides ownership access to minorities and females at ratios of one in 50 and one in 15, respectively. The EDA RLF program achieves its intended results with high levels of accomplishment and low levels of risk and cost.

Introduction to the Research

Introduction

The purpose of this component of the study is to present analytic information on the EDA Revolving Loan Fund (RLF) program. What is the context of EDA RLF loans, how do the loan funds perform, how many jobs do they produce, and how much do those jobs cost? In addition, what is the default/write-off rate associated with loans under this program, and who benefits from the program?

This report evaluates the EDA RLF program. It is the most comprehensive report completed to date because it involves all active RLF loans as of October 1998. The loan pool at that time consisted of 450 EDA RLF grantees who had processed close to 12,000 loans, or an average of approximately 25 loans per grantee.

The study involved hand-coding information on 11,600 loans and on 422 grantees.¹ Each of the loans was checked for completeness and accuracy of information. In most cases where information was missing or appeared in error, clarification was obtained from the grantees.

The report relies primarily on loan data from the grantees. Information on jobs created or loans defaulted

on, comes not from aggregated grantee information, but rather from individual loan data aggregated by the research team.

A large volume of data had to be processed. Data had to be complete for each reporting site (grantee), and consistency between summary information provided by the grantee and the sum of individual loan information at the grantee site had to be ensured. A great deal of time and effort has been spent to check and verify data before subjecting it to analysis and attempting to obtain missing information. However, when information could not be obtained, missing data were coded as missing. Consequently, the total number of cases varies slightly depending on the variable under consideration.

The Economic Development Administration

The Public Works and Economic Development Act of 1965 (PWEDA), passed by Congress in that year, authorized EDA to provide grants to create and retain existing private-sector jobs and to stimulate business development in economically distressed areas of the United States. A 1974 amendment added Title IX authorizing economic adjustment grants for RLFs. In 1998, the Economic Development Administration Reform Act (Public Law 105-393, 42 U.S.C. Section 3121 *et seq.*, 112 Stat. 3596) reauthorized EDA programs for five years without altering EDA's basic mission and programs.

¹ Twenty-eight grantees were reporting annually because loan repayments exceeded the grant amount. This involved approximately 400 loans. Annual reporting requires no information at the loan level.

In order to build the long-term institutional capacity of communities experiencing high unemployment, low income, or other severe economic distress, EDA has helped develop a nationwide network of Economic Development Districts (EDDs) staffed by professionals who work in partnership with state, county, and local government officials; Indian tribes; business leaders; and public and private nonprofit organizations. EDA's grant programs support public works and infrastructure development, planning, training and technical assistance, and business development. These programs help communities address their economic challenges, identify and implement their own comprehensive economic revitalization strategies, and fund high-priority projects.

Economic adjustment grants help communities alleviate existing, or reduce the threat of future, substantial and persistent unemployment or underemployment created by long-term economic deterioration (LTED), or sudden and severe economic dislocation (SSED) (e.g., economic restructuring, military base closures or realignments, defense contractor reductions, extraordinary depletion of natural resources, and natural disasters).

Purpose of the RLF Program

RLF grants for business development assistance are administered under EDA's Section 209 (former Title IX), Grants for Economic Adjustment, which was created in 1974 by an amendment to the PWEDA of 1965.

An RLF is a capitalized fund used by local governments, EDDs, regional development corporations, states, and other nonprofit organizations to stimulate economic activity and to make loans for small-business projects in accordance with local economic development strategies, when private credit is scarce or unavailable. Loan principal and interest repayments and fees help replenish the RLF's capital, creating a

revolving source of capital to finance additional loans and further develop the local economy. Consequently, RLFs aim to preserve their capital through prudent lending and portfolio management practices.

The initial capital provided by EDA does not need to be repaid to the agency, except in cases of grant termination for cause, or convenience of the RLF. However, loans have nearly always been fully repaid to the grantees by RLF borrowers. As of September 2001, EDA grants have been provided to 637 locally administered RLFs that, in turn, have made more than 15,000 loans to private businesses for a total amount of nearly \$700 million. RLFs were increasingly used as a vehicle for economic development during the latter 1990s and early 2000s. As of the evaluation date of this study (fall of 1998), the numbers of grantees and loans were approximately 75 percent of the above numbers.

Eligibility Criteria

In order to apply for an RLF grant under EDA regulations §308, the applicant must fulfill the set of eligibility criteria for economic adjustment assistance as defined in §301 and §308.2.

First, an applicant must be an eligible recipient as defined in §300.2: an EDD; an Indian tribe; a state; a city or other political subdivision of a state, or a consortium of such subdivisions; an institution of higher education; or a public or private nonprofit organization or association, if it acts in cooperation with officials of a political subdivision of a state.

Second, §301.2 of the regulations strengthened the criteria for area eligibility for an economic adjustment grant in two major aspects: criteria consolidation and time of qualification. An area is eligible if it meets one of the following criteria: Its unemployment rate is at least 1 percent greater than the national av-

erage for the most recent 24-month period for which data are available; its per capita income does not exceed 80 percent of the national average; or it has a special need "arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short- or long-term changes in economic conditions." A noneligible area within an EDD may apply for assistance if the project benefits an eligible part of the area. Furthermore, there is a provision that allows small distressed areas within noneligible communities to be eligible for assistance. The time-of-qualification criterion requires an area to be eligible for assistance at the time of application. Designation as a redevelopment area is no longer required.

Third, the application for a project grant under §308 must include or reference a CEDS, as provided in §301.3, that is acceptable to EDA. The CEDS must be approved by the applicant's governing body no more than one year before the date of application.

Section 308.9 states that RLF applicants must also submit an RLF Plan in accordance with the RLF guidelines.

RLF Requirements for Grantees and Borrowers

Standard terms and conditions apply to RLF grants funded by EDA under Section 209 of the EDA Reform Act of 1998 (42 U.S.C. 3121 *et seq.*).

Grant applications to capitalize or recapitalize an RLF must provide evidence of area and applicant eligibility, include or reference a CEDS, and identify all of the funding sources that will contribute to the project's financing. RLF grantees, as well as any contractor that provides services on behalf of the RLF grant recipient, must comply with applicable federal, state, territorial, and local laws, such as environmental pro-

tection laws, civil rights laws, Davis-Bacon wage rates, or laws concerning handicapped access. They must market the RLF to prospective minority and women borrowers, and comply with EDA RLF guidelines, manuals, and other instructions that might be issued by the federal government.

RLF recipients must comply with various administrative and financial requirements and procedures. Among other things, grantees are required to administer RLFs in accordance with lending practices generally accepted as prudent for public loan programs and to protect the RLF assets. They must regularly submit reports to EDA. These include annual or semi-annual reports, and special reports.

Research Charge and Approach to the Research

The research team, consisting of personnel from Rutgers University, approached the research in the following manner. First, it was necessary to obtain a general understanding of the specific research subjects. Members of the research team read the applicable literature on Economic Development Administration activities as well as past evaluations.

The research team decided that the study would *not* focus on a sample of the grantees and loans to be studied. *All* projects of the program group selected for study (RLFs active as of October 1998) would be analyzed.

The research team decided that a detailed presentation of the research would enhance the accessibility of the data and statistics. Accordingly, the team developed project profiles that contain all applicable performance measurement information. The research design was formulated to ensure that all projects would be presented in standardized fashion and that their summarized base data would be available to

Figure 1
EDA RLF Grantees



Source: EDA RLF Semiannual Reports; October 1998.

Notes: Dots indicate grantee locations. All grantees did not have locations provided.

Alaska and Pacific Island grantees are not shown.

those reviewing the report (see grantee profiles at the end of this report). Thus, for each project, a profile sheet presents information on the project participants and the magnitude of the grant; demographic and employment data on the community or county in which the project took place; and data on outcomes of the project in the form of direct jobs, cost per job, default/write-off rates, leverage ratios, and the like.

The study sought answers to the following questions: Did the RLF activity produce jobs, private- and public-sector leverage, minority and female opportunities, and so on? Did the RLF program do its job, and did it do its job efficiently?

The Universe of Projects

This research involves an analysis of 450 RLF grantees that had active loan pools in October 1998 (Figure 1). Since some projects originated as recently as 1998, a share of the projects are not yet complete, and a few are just beginning.

The 450 RLF projects are geographically distributed throughout the United States. They are found in all states except Delaware and Hawaii. Also represented are the District of Columbia, Puerto Rico, American Samoa, and Guam.

The 450 RLFs that are analyzed here range in scale from \$500,000 to \$20 million and have individually produced up to 1,000 jobs.

The Performance Measures

EDA has established a set of performance measures for RLFs. They seek to quantify the number of businesses assisted (number of loans made), number of jobs created, and RLF moneys leveraged. They also attempt to gauge the capital base of the RLFs. This is defined as money originally disbursed in the grant for RLF purposes, interest accrued from outstanding loans, less bad debt/loss from loans that were not repaid. EDA's performance measures are listed below.

- Implementation schedule for disbursement of RLF dollars met.
- Jobs created and retained through RLF loans.
- Loans made and dollars lent.
- Private-sector and other dollars invested.
- RLF capital base.

In addition to the above measures, the research team has included information on the nature of the business activities supported (start-up, expansion, or retention) as well as the type of business (commercial, manufacturing, service). Information on default rates and loan write-offs is also included as well as summaries of information on minorities employed and established in business.

The Attribution of Jobs and Private-Sector Investment

In most instances, EDA's investment in a project is the critical component that launches it into action. The EDA funding is the critical, or "*but for*," element of the project that created the jobs in the area. Indeed, in making its project selection decisions, the *but for* argument is decisive for EDA. The role of filling this early implementation funding gap defines to a large extent EDA's role in economic development: EDA fills the gap in funding available to

communities to respond to economic deterioration or decline.

Without EDA, the loan recipient would not receive funding and the business would not be created or retained. In such cases, because of the critical nature of EDA funding and the risk capital that EDA provides, EDA is credited for the jobs created. No other funder—public or private—fills that important, initial implementation role. If EDA is there first, plays an early implementation role, and offers significant funding, it is credited for the jobs.

Further, in most instances, it is only after EDA commits to funding a project that the grantee can produce its local share, be it a Community Development Block Grant (CDBG), other local funds, or private funds. EDA's "gap" funding—the special value that EDA contributes to economic development in distressed areas—is the major contributor to the impact of EDA's investments.

In counting jobs as an indicator of the impact of EDA funding, the correlation between EDA's investment and jobs is more accurately described as follows: Jobs in EDA-funded projects are not "caused by" EDA's investment, rather, the jobs "result" from the investment.

Data and Dollars—Sources and Years

Data on project-area unemployment rates and per capita income have been obtained for the year of the grant from the Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA), respectively. The data are county yearly averages at the time of project approval. These have been individually researched and checked by the study team.

Information on unemployment rates and per capita income for RLF projects are compared with state or nationwide averages for the same years and the results are displayed in the project profiles. Information on percentage minority population and percentage below the poverty level is derived from the 1990 Census data for counties for the closest match to the time period of the loans.

All financial information is left in its original form (1976 to 1998 dollars) in the project profiles. In the analytic summaries of cost per job, costs are expressed in constant (1998) dollars. Interest accruals from 1976 to 1998 have been taken to 1998 using the average federal Treasury bill rate to determine interest to the current period. The federal Treasury bill rate is the Federal Funds rate from the Federal Reserve Board of Governors. The procedure employed in this study uses annual averages of the monthly daily average to establish a yearly interest rate. Per capita income at project sites is also in its original form in the project profiles (1974 to 1998 dollars).

Measures of Central Tendency

Throughout this study, statistical information is presented on the typical EDA project. Choices available to the researcher for selection of the typical project are the mean and the median.

The most robust measure of central tendency for interpreting this distribution is the median. It provides information on the middle case. This is the measure used for almost all comparisons in the study. The median is employed in all instances except those in which zero values are so numerous that the median is also zero. In those situations, the mean is used.

The Cost of a Job Created by an RLF

The cost of creating or saving jobs at the grantee level is calculated as the difference between interest foregone by not using the RLF grant amount and matching funds (capital base) for some moneymaking purpose (calculated at a rate equivalent to the average federal Treasury bill rate for the year in which EDA funds were given) and the interest garnered by creating the loan pool (calculated at the loan lending rate for the period and including any losses incurred by the grantee in the transaction).

In both components of the calculation, the original RLF grant amount and matching funds are included because they cannot be excluded from the interest garnered component of the above calculation. The result of this calculation divided by the number of jobs created or retained is the cost per job. The EDA cost per job is the percentage share of the EDA RLF grant multiplied by the cost per job.

Reliability of Procedures and Effect on Results

The procedure described above allowed those most familiar with the outcomes of the RLF (i.e., loan recipients) to provide quantitative and qualitative information on job creation and private-sector investment. Executive directors or loan officers who did this were guided by instruments and guidelines issued by EDA. The research team, in turn, standardized and aggregated all results and subjected those results to tests of plausibility.

Context of RLF Loans

RLF loans are made in counties that are more economically depressed than the host state or the nation as a whole. The focus of most EDA programs is the revitalization of economies that are relatively depressed. An economy's problems can be the result of sustained—Long-Term Economic Deterioration (LTED)—or new—Sudden and Severe Economic Dislocation (SSED)—economic depression. Four measures of context are used to compare the grantee's county either to its host state or to the United States as a whole. The measures are per capita income, poverty, minority concentration, and unemployment rate. They are shown in Tables 9 to 12.

Income

The median county per capita personal income is \$12,881 or 90 percent of state and national per capita personal income averages (Table 9). Median per capita personal income is lowest in the Atlanta EDA region (\$11,047) and highest in the Denver EDA region (\$14,916).¹ Median per capita personal income for other regions is as follows: Seattle, \$11,580; Austin, \$12,510; Chicago, \$13,273; and Philadelphia, \$13,740. In grantee counties in the Austin, Atlanta, and Denver regions, median per capita personal income is 20 percent below the national average. In the

remaining regions, it is 10 percent or less below the national average.

Poverty

In grantee counties, poverty, measured by percentage of the population below the poverty level in 1990, is 14.4 percent and is 10 percent higher than both statewide and nationwide figures. Percentage below the poverty level is greatest in the Atlanta region (18.4 percent) and lowest in the Philadelphia region (11.9 percent). Percentage below the poverty level in the other regions is as follows: Austin, 18.3 percent, Denver and Seattle, 14.2 percent each; and Chicago, 13.8 percent (Table 10).

Minority Populations

Percentage minority population is not a criterion for receiving an RLF grant from EDA. However, this variable is a traditional descriptor of both urban and rural areas. It is included here for informational purposes. RLF loans are made to firms in counties that had 8.5 percent minority population in 1990 (Table 11). This is 20 percent less than the percentage of the minority population in host states and 60 percent less than the national percentage of minority population. Percentage minority population in grantee counties is highest in the Atlanta region (27.7 percent), and lowest in the Denver region (3.5 percent). Percentage minority population in the

¹ From this point on, the term region is assumed to mean EDA region.

Table 9
Median per Capita Personal Income of
EDA Grantee Counties

EDA Region	Median PCI in Grantee Counties	Ratio to State	Ratio to U.S.
Philadelphia	\$13,740	0.9	0.9
Atlanta	\$11,047	0.9	0.8
Denver	\$14,916	1.0	0.8
Chicago	\$13,273	0.9	0.9
Seattle	\$11,580	0.9	1.0
Austin	\$12,035	1.0	0.8
All EDA Regions	\$12,881	0.9	0.9

Source: Bureau of Economic Analysis, various years.

Table 10
Median Percentage Population Below
Poverty Level of EDA Grantee Counties

EDA Region	Median Percentage in Poverty in Grantee Counties	Ratio to State	Ratio to U.S.
Philadelphia	11.9%	1.0	0.9
Atlanta	18.4%	1.2	1.4
Denver	13.4%	1.0	1.0
Chicago	13.8%	1.3	1.1
Seattle	14.2%	1.1	1.1
Austin	18.3%	1.0	1.4
All EDA Regions	14.4%	1.1	1.1

Source: U.S. Census of Population and Housing 1990.

other regions is as follows: Seattle region, 18.2 percent, Austin region, 17.3 percent; Philadelphia region, 4.5 percent; and Chicago region, 3.9 percent.

Unemployment

The unemployment rate is a prime criterion for EDA RLF grants. Reflecting a database of nearly 30 years, the median unemployment rate in counties measured

Table 11
Median Percentage of Minority Population
of EDA Grantee Counties

EDA Region	Median Percentage Minority in Grantee Counties	Ratio to State	Ratio to U.S.
Philadelphia	4.5%	0.8	0.2
Atlanta	27.7%	1.2	1.4
Denver	3.5%	0.5	0.2
Chicago	3.9%	0.4	0.2
Seattle	18.2%	1.1	0.9
Austin	17.3%	0.8	0.9
All EDA Regions	8.5%	0.8	0.4

Source: U.S. Census of Population and Housing 1990.

Table 12
Median Unemployment Rate of
EDA Grantee Counties

EDA Region	Median Unemployment Rate in Grantee Counties	Ratio to State	Ratio to U.S.
Philadelphia	7.2%	1.1	1.1
Atlanta	7.8%	1.1	1.1
Denver	5.6%	1.1	0.8
Chicago	8.7%	1.2	1.3
Seattle	9.8%	1.1	1.3
Austin	7.3%	0.9	1.0
All EDA Regions	7.8%	1.1	1.1

Source: Bureau of Labor Statistics, various years.

at the time of the grant is 7.8 percent—10 percent higher than both the statewide and nationwide averages, reflecting the time period of the disbursement of loans (Table 12). The median unemployment rate is highest in the Seattle region (9.8 percent) and lowest in the Denver region (5.6 percent). The median unemployment rate in the other regions is as follows: Chicago region, 8.7 percent; Atlanta, 7.8 percent; Austin, 7.3 percent; and Philadelphia, 7.2 percent.

RLF Characteristics

As of October 1998, EDA had received information from approximately 450 grantees. These grantees had issued more than 14,000 loans. Exactly 422 of the grantees provided detailed information on 11,600 loans. The remaining 28 grantees had loan repayments exceeding the original grant amount and did not have to provide detailed information on each loan.

Region

Together, the Philadelphia and Seattle regions accounted for nearly 48 percent of the loans made (Table 13). The Philadelphia region provided 26.5 percent, or 3,072 of the loans. The Seattle region provided 21.2 percent, or 2,456 of the loans. The other regions accounted for the following shares of the loans disbursed: Chicago, 18.8 percent (2,177 loans); Atlanta, 16.1 percent (1,870 loans); Denver, 12.2 percent (1,416 loans); and Austin, 5.2 percent (609 loans).

Purpose and Business Type

Of the 11,600 RLF loans, approximately 6,300, or 54 percent, were for expansion; 3,400, or 30 percent, were for start-up; and 1,840, or 16 percent, were for retention (Table 14). Furthermore, of the 11,600 loans, 5,700, or 49 percent, were for manufacturing; 3,100, or 27 percent, were for service businesses; and 2,800, or 24 percent, were for commercial businesses (Table 15).

Program/Year of Loan

The vast majority of the 11,600 loans were provided under the LTED program (8,300 loans, or 72 percent), followed by loans provided under the SSED program (2,800 loans, or 24 percent), loans provided under the Defense Adjustment program (384 loans, or 3 percent), and, finally, loans provided under the Disaster Recovery program (85 loans, or 1 percent) (Table 16).

The year of the loan origination has been grouped by interest rate peaks. The prime interest rate was moderate from the late 1970s through the early 1980s; high during the period 1983 through 1991; very low during the period 1992 through 1994; and relatively low during the period 1995 through 1998. In terms of time of loan, about 37 percent (approximately 4,300 loans) were given during the high period from 1983 to 1991; 36 percent (approximately 4,100 loans) were given during the relatively low period from 1995 to 1998; about 22 percent (2,600 loans) were given from 1992 to 1994; and about 5 percent (575 loans) were given during the moderate period before 1982 (Table 17).

In summary, most loans were disbursed in the Philadelphia, Seattle, Chicago, and Atlanta regions, for manufacturing businesses and expansion purposes, as part of the LTED program, and during the mid-to-late-1980s and late-1990s.

Table 13
Distribution of Loans by Region

EDA Region	Number of Loans	Percentage of Total (%)
Philadelphia	3,072	26.5
Atlanta	1,870	16.1
Denver	1,416	12.2
Chicago	2,177	18.8
Seattle	2,456	21.2
Austin	609	5.2
All EDA Regions	11,600	100.0

Source: EDA RLF Semiannual Reports, October 1998.

Table 14
Distribution of Loans by Loan Purpose

Loan Purpose	Number of Loans	Percentage of Total (%)
Start-up	3,438	29.6
Expansion	6,320	54.5
Retention	1,842	15.9
All Purposes	11,600	100.0

Source: EDA RLF Semiannual Reports, October 1998.

Table 15
Distribution of Loans by Business Type

Business Type	Number of Loans	Percentage of Total (%)
Manufacturing	5,700	49.1
Commercial	2,797	24.1
Services/Other	3,103	26.8
All Types	11,600	100.0

Source: EDA RLF Semiannual Reports, October 1998.

Table 16
Distribution of Loans by Loan Program

Loan Program	Number of Loans	Percentage of Total (%)
LTED	8,303	71.6
Defense Adjustment	384	3.3
Disaster Recovery	85	0.7
SSED/Other	2,828	24.4
All Programs	11,600	100.0

Source: EDA RLF Semiannual Reports, October 1998.

Table 17
Distribution of Loans by Year of Loan

Year of Loan	Number of Loans	Percentage of Total (%)
1976 to 1982*	575	5.0
1983 to 1991	4,337	37.4
1992 to 1994	2,569	22.1
1995 to 1998	4,119	35.5
All Years	11,600	100.0

Source: EDA RLF Semiannual Reports, October 1998.

Note: * See page 15 for year grouping rationale.

RLF Loan Amounts

RLF loan amounts vary considerably under the EDA RLF program. The typical loan amount is approximately \$50,000 to \$60,000; in the last three years of the observation period (1995 to 1998) this amount has remained relatively constant at a median of about \$53,500. In the 1980s and early 1990s, the median loan amount was about \$10,000 higher; in the 1970s, the median loan amount was about \$35,000 higher. Over the entire period 1976 to 1998, the median RLF loan amount was \$56,601.

Region

Median RLF loans vary within a \$20,000 range by region. Median loan amounts are highest in the Atlanta region (\$70,400) and lowest in the Seattle and Denver regions (approximately \$49,000). The Chicago, Austin, and Philadelphia regions have median loan amounts at about the \$58,000 to \$59,000 level (Table 18).

Purpose

The purpose of the loan amounts for about one-half the variation in median loan amount relative to that of the region of the loan. Retention loans have a median amount of \$53,300; start-up loans of \$51,450; and expansion loans of \$61,100. These results match what could be reasonably surmised from knowing lending patterns in the building industry. Although significant capital facilities must be put in place, start-up businesses are an unknown. Therefore, they could be considered

as more risky investments and loans would tend to be smaller. On the other hand, they could also be promising and attract money from various sources. Retention loans would be expected to be in the same general range as start-up businesses because the physical structure is usually already present and therefore only low amounts of capital outlays would be necessary. In contrast, expansion loans would be expected to be the most expensive because an established business is committing to additional capital facilities (Table 19).

Type

The median loan amount by business type has less variation than evidenced in region of the loan but more than evidenced in purpose. The median loan given for manufacturing businesses is approximately \$15,500 more than the median loan for commercial (retail/wholesale) businesses and \$13,000 more than the median loan for service businesses. Loans for manufacturing businesses have a median amount of \$65,000; for commercial businesses, a median amount of \$49,500; and for service businesses, a median amount of \$52,000 (Table 20).

Program

Median RLF loans given by the LTED, Disaster Recovery, and SSED programs range between \$55,000 and \$57,000. The median amount for Defense Adjustment loans is \$105,000 (Table 21). The limited

Table 18
RLF Loan Amount by Region

EDA Region	Number of Loans	Median RLF Loan Amount (\$)
Philadelphia	3,072	57,864
Atlanta	1,870	70,419
Denver	1,416	48,996
Chicago	2,177	59,346
Seattle	2,456	48,898
Austin	609	57,871
All EDA Regions	11,600	56,601

Source: EDA RLF Semiannual Reports, October 1998.

Table 19
RLF Loan Amount by Loan Purpose

Loan Purpose	Number of Loans	Median RLF Loan Amount (\$)
Start-Up	3,438	51,453
Expansion	6,320	61,123
Retention	1,842	53,282
All Purposes	11,600	56,601

Source: EDA RLF Semiannual Reports, October 1998.

Table 20
RLF Loan Amount by Business Type

Business Type	Number of Loans	Median RLF Loan Amount (\$)
Manufacturing	5,700	65,000
Commercial	2,797	49,517
Services/Other	3,103	52,078
All Types	11,600	56,601

Source: EDA RLF Semiannual Reports, October 1998.

amount of variation in the first three categories is surprising, especially because of the unpredictable nature of disaster recovery. The larger median RLF loan amount for Defense Adjustment loans relates to a variety of activities such as training and retooling

Table 21
RLF Loan Amount by Loan Program

Loan Program	Number of Loans	Median RLF Loan Amount (\$)
LTED	8,303	56,270
Defense Adjustment	384	105,221
Disaster Recovery	85	54,656
SSED/Other	2,828	56,819
All Programs	11,600	56,601

Source: EDA RLF Semiannual Reports, October 1998.

Table 22
RLF Loan Amount by Year of Loan

Year of Loan	Number of Loans	Median RLF Loan Amount (\$)
1976 to 1982	575	88,865
1983 to 1991	4,337	63,758
1992 to 1994	2,569	53,788
1995 to 1998	4,119	53,430
All Years	11,600	56,601

Source: EDA RLF Semiannual Reports, October 1998.

of the labor force that are often included in Defense Adjustment activities and thus in requested moneys.

Year of Loan

The median RLF loan amount has decreased in current dollars since the program's origins. In the 1970s and early 1980s, the median loan amount approached \$90,000; most recently, from 1992 to 1998, it was about \$53,600; and in the middle years, 1983 to 1991, it was \$63,800 (Table 22). The variations in the median reflect a willingness on the part of EDA and its grantees to lend more per loan during certain periods. In addition, many defense adjustment RLF loans were given during the 1990s and even though the median defense adjustment RLF loan was twice the amount of the median RLF loan, so many nondefense RLF loans were given during the 1990s that they depressed the overall median.

Total Financing Package Amounts

The total financing package is the RLF loan plus other leveraged public and private moneys that go to the borrower in the form of capital to retain or expand existing businesses or to start up new businesses. The median total financing package for all regions is \$176,319.

Region

Regional median total financing packages vary from \$54,750 below the nationwide median to \$60,156 above the nationwide figure. The median package is highest in the Chicago region (\$236,475) and lowest in the Seattle region (\$121,569) (Table 23). The median package in the Atlanta region (\$203,034) is \$26,715 above the nationwide figure. The Denver figure (\$190,243) is \$13,924 above and the Philadelphia and Austin amounts (\$162,376 and \$163,968, respectively) are below the nationwide figure. To a certain degree, trends in median total financing package follow trends in median RLF loan amount. For example, the median RLF loan and the median total package amounts in the Atlanta region are both at the high end of the range. In the Seattle region, both figures are at the low end of the range. However, the Denver region has one of the lower median RLF loan amounts and one of the higher median total package amounts.

Purpose

Median total financing package trends by loan purpose show some differences from the trends exhibited by median RLF loan amounts. The figures are highest for

expansions (\$188,680), lowest for retentions (\$141,510), and in between for start-ups (\$174,078) (Table 24). The RLF loan amount distribution for the same three categories showed that the median RLF loan for expansions (\$61,100) was about 15 percent higher than the ones for start-ups (\$51,500), and retentions (\$53,300). The significantly higher median total package amounts for expansions and start-ups means that expansions and start-ups can garner greater leverage than retentions.

Type

Median total packages by type of business are greatest for manufacturing (\$218,208) and least for services (\$139,328). The median total package for commercial businesses is \$157,084 (Table 25). This in part parallels median RLF loan amounts; manufacturing businesses had the largest median RLF loan amount. Commercial businesses had the lowest median RLF loan amount and service businesses had the second highest amount. Again, this points to the inability of typical service businesses to attract the same level of other-source funding as part of the package.

Program

Median total package by program is highest for the Defense Adjustment program (\$265,101), followed by the amount for LTED (\$191,124), the amount for SSED (\$127,517), and the amount for the Disaster Recovery program (\$69,437) (Table 26). Since the Defense Ad-

Table 23
Total Financing Package by Region

EDA Region	Number of Loans	Median RLF Financing Package (\$)
Philadelphia	2,893	162,376
Atlanta	1,533	203,034
Denver	1,410	190,243
Chicago	2,154	236,475
Seattle	2,436	121,569
Austin	606	163,968
All EDA Regions	11,032	176,319

Source: EDA RLF Semiannual Reports, October 1998.

Table 24
Total Financing Package by Loan Purpose

Loan Purpose	Number of Loans	Median RLF Financing Package (\$)
Start-Up	3,374	174,078
Expansion	5,987	188,680
Retention	1,771	141,510
All Purposes	11,032	176,319

Source: EDA RLF Semiannual Reports, October 1998.

Table 25
Total Financing Package by Business Type

Business Type	Number of Loans	Median RLF Financing Package (\$)
Manufacturing	5,457	218,208
Commercial	2,699	157,084
Service/Other	2,876	139,328
All Types	11,032	176,319

Source: EDA RLF Semiannual Reports, October 1998.

justment program has a median RLF loan amount that is twice the amount of the median loans of all other programs, it is not surprising that this program has the highest median total financing package. However, considering that the other three programs were all about equal, the disparities observed among them at the total package level reveal that the typical loan of the LTED

Table 26
Total Financing Package by Loan Program

Loan Program	Number of Loans	Median RLF Financing Package (\$)
LTED	7,874	191,124
Defense Adjustment	370	265,101
Disaster Recovery	85	69,437
SSED/Other	2,703	127,517
All Programs	11,032	176,319

Source: EDA RLF Semiannual Reports, October 1998.

Table 27
Total Financing Package by Year of Loan

Year of Loan	Number of Loans	Median RLF Financing Package (\$)
1976 to 1982	490	177,731
1983 to 1991	4,056	207,987
1992 to 1994	2,498	169,024
1995 to 1998	3,988	160,290
All Years	11,032	176,319

Source: EDA RLF Semiannual Reports, October 1998.

program is able to leverage more private-public funding than the typical loans of the SSED and Disaster Recovery programs.

Year of Loan

Median total financial packages have varied over time. Generally speaking, they were highest up to 1991 (\$177,731 to \$207,987) and lower after 1992 (\$160,290 to \$169,024) (Table 27). In the first period (1976 to 1982), the median RLF loan was significantly higher than in the last period (approximately 30 percent) (Table 22) but the median total financing package was only about 10 percent higher than that of the last period (Table 27). Thus, the typical RLF loan given in the 1980s was larger than the one given in the 1990s but it did not leverage as much public and private funding as the latter period loans did.

Leverage Ratios

The leverage ratio is the total amount of funds leveraged—private funds, other public funds, and reclaimed equity—for every RLF dollar lent. The overall median leverage ratio is 2.03:1, which means that for the median case, approximately two dollars of other funds have been leveraged for every RLF dollar lent. Therefore, the total financing package that is given to the recipient is about three times the RLF amount.

Region

The median leverage ratios vary from lows of 1.50:1 and 1.67:1 (Seattle and Philadelphia regions) to highs of 2.67:1 and 2.85:1 (Denver and Chicago Regions). In the Austin and Atlanta regions, the median leverage ratios are 1.93:1 and 2.00:1, respectively. The variations can often be attributed to the “other public funding” contribution to the total financing package.

Purpose

Median leverage ratios also vary somewhat by the purpose of the loan. They are highest (2.29:1) for start-up businesses and lowest (1.50:1) for retentions. The median ratio for expansions is about at the overall median (2.00:1) (Table 29).

Type

Leveraging varies only slightly by the type of business receiving the loan. The median leverage ratio is about 6 to 7 percent higher for manufacturing businesses (2.14:1) than it is for commercial (2.02:1) or service businesses (2.00:1) (Table 30).

Program

There is significant variation in leveraging by program. LTED RLF loans have a median leverage ratio in excess of 2.30:1 (Table 31). The Defense Adjustment leverage ratio (2.00:1) is at about the overall median. On the other hand, SSED RLFs have a median leverage ratio of 1.00:1, and the figure for Disaster Recovery loans is 0.23:1. The scale of these differences may be related to the suddenness of economic decline. It would be expected that situations in which decline has been long term would have an ability to raise partnering funds for loans. On the other hand, where decline has been sudden, little partnering funds would become part of the leveraged financing package.

Year of Loan

Since the mid-1980s, there appears to have been relative stability in the median leverage ratio in a range of 2.28:1 to 1.97:1. The ratio has declined by only

Table 28
Leverage Ratio by Region

EDA Region	Number of Loans	Leverage Ratio
Philadelphia	2,893	1.67:1
Atlanta	1,533	2.00:1
Denver	1,410	2.67:1
Chicago	2,154	2.85:1
Seattle	2,436	1.50:1
Austin	606	1.93:1
All EDA Regions	11,032	2.03:1

Source: EDA RLF Semiannual Reports, October 1998.

Table 29
Leverage Ratio by Loan Purpose

Loan Purpose	Number of Loans	Leverage Ratio
Start-Up	3,274	2.29:1
Expansion	5,987	2.00:1
Retention	1,771	1.50:1
All Purposes	11,032	2.03:1

Source: EDA RLF Semiannual Reports, October 1998.

Table 30
Leverage Ratio by Business Type

Business Type	Number of Loans	Leverage Ratio
Manufacturing	5,457	2.14:1
Commercial	2,699	2.02:1
Service/Other	2,876	2.00:1
All Types	11,032	2.03:1

Source: EDA RLF Semiannual Reports, October 1998.

Table 31
Leverage Ratio by Loan Program

Loan Program	Number of Loans	Leverage Ratio
LTED	7,874	2.32:1
Defense Adjustment	370	2.00:1
Disaster Recovery	85	0.23:1
SSED/Other	2,703	1.00:1
All Programs	11,032	2.03:1

Source: EDA RLF Semiannual Reports, October 1998.

Table 32
Leverage Ratio by Year of Loan

Year of Loan	Number of Loans	Leverage Ratio
1976 to 1982	490	0.65:1
1983 to 1991	4,056	2.28:1
1992 to 1994	2,498	2.10:1
1995 to 1998	3,988	1.97:1
All Years	11,032	2.03:1

Source: EDA RLF Semiannual Reports, October 1998.

15.0 percent in the 15 years from 1983 to 1998. On the other hand, from the mid-1970s to the early 1980s, the median leverage ratio was only 0.65:1 (Table 32). Early on, when the RLF was virtually unknown, partnering funds were scarce. As the concept of the RLF matured, partnering funds became more plentiful.

Loan Pools and Disbursement

“Loan pools up and running” are those that received an initial disbursement of funds from EDA, subsequently set up a loan pool, and issued loans. Rarely, loan pools are not set up and moneys are refused or returned. Of the 422 grantees with detailed information, 414, or 98 percent, established a loan pool and issued loans. The remaining eight grantees, or 2 percent, returned the grant or a major portion of the grant to EDA. This information is based on grantee summaries of loan data, and, as such, data on variation of loan pool establishment by purpose of the loans and business type is not available. The latter are only available from unsummarized information on loan detail that is not provided in grantee summary reports.

Region

The percentage of grantees who had established a loan pool and had actually issued loans varies from a low of 96.6 percent (Chicago region) to a high of 100 percent (Austin and Denver regions). The three remaining regions were at “up and running” percentages of 97 to 99 percent (Philadelphia, Atlanta, and Seattle regions) (Table 33). It is quite positive to see the high success rates of setting up loan pools and the relatively small differences in success rates across regions.

Program

RLF loan pools were always found up and running in the Disaster Recovery program (100 percent). The LTED program was also almost always successful in establishing loan pools (99.6 percent). Loan pools were established less often in the Defense Adjustment program (93.5 percent) and in the SSED program (95.6 percent) (Table 34).

Age of the RLF

The grantee’s ability to establish the loan pool, historically has had a high success rate. From the first period (1976 to 1982) to the most current period (1995 to 1998), the loan pool establishment rate did not fall below 92.7 percent. The rate was slightly higher before 1992 (98.7 percent to 99.5 percent) than it has been since 1992 (97.4 percent to 92.7 percent). The period 1995 to 1998 shows a lower rate of success (92.7 percent) because some grantees had not issued their first loans at the time of study monitoring. However, they would ultimately do so (Table 35).

Table 33
Location of Loan Pools by Region

EDA Region	Loan Pools “Up and Running”		Loan Pools That Did Not Issue Loans		Total Number of Loan Pools
	Number	Percentage	Number	Percentage	
Philadelphia	82	98.8	1	1.2	83
Atlanta	83	97.6	2	2.4	85
Denver	64	100.0	0	0.0	64
Chicago	84	96.6	3	3.4	87
Seattle	77	97.5	2	2.5	79
Austin	24	100.0	0	0.0	24
All EDA Regions	414	98.1	8	1.9	422

Source: EDA RLF Semiannual Reports, October 1998.

Table 34
Distribution of Loan Pools by Loan Program

Loan Program	Loan Pools “Up and Running”		Loan Pools That Did Not Issue Loans		Total Number of Loan Pools
	Number	Percentage	Number	Percentage	
LTED	271	99.6	1	0.4	272
Defense Adjustment	29	93.5	2	6.5	31
Disaster Recovery	5	100.0	0	0.0	5
SSED/Other	109	95.6	5	4.4	114
All Programs	414	98.1	8	1.9	422

Source: EDA RLF Semiannual Reports, October 1998.

Table 35
Distribution of Loan Pools by Date of Initial Disbursement of Funds from EDA

Date of Initial Disbursement of Funds from EDA	Loan Pools “Up and Running”		Loan Pools That Did Not Issue Loans		Total Number of Loan Pools
	Number	Percentage	Number	Percentage	
1976 to 1982	78	98.7	1	1.3	79
1983 to 1991	211	99.5	1	0.5	212
1992 to 1994	74	97.4	2	2.6	76
1995 to 1998	51	92.7	4	7.3	55
All Years	414	98.1	8	1.9	422

Source: EDA RLF Semiannual Reports, October 1998.

Creating and/or Retaining Permanent Jobs

Another measure of the success of the EDA RLF Program, or any economic development program, is whether or not permanent jobs have been created or retained.¹ The variable used in this analysis is the number of grantees that issued loans that helped loan recipients create or retain jobs. Of the original 422 reporting grantees that received RLF funds, only eight did not establish a loan pool. Therefore, all of the 414 grantees, or 98 percent, that established a loan pool issued loans that led to the creation or saving of one or more permanent jobs.

Region

Identical to the previous section on the establishment of loan pools, the percentage of EDA grantee loans creating or retaining permanent jobs was highest in

the Denver and Austin (100 percent each) regions and lowest in the Chicago (96.6 percent) region. The percentage is close to the nationwide median in the Seattle (97.5 percent), Atlanta (97.6 percent), and Philadelphia (98.8 percent) regions (Table 36).

Program

The percentage of RLFs that helped create and retain permanent jobs is highest for the Disaster Recovery (100 percent) and the LTED (99.6 percent) programs. It is lowest for the Defense Adjustment (93.5 percent) and the SSED (95.6 percent) programs (Table 37).

Age of the RLF

The percentage of RLFs helping to create or retain jobs was relatively steady from the mid-1970s to the mid-1990s, at a rate above 98 percent. The lower percentage experienced in the final period (1995 to 1998) reflects a slow rate of issuing their first loans for some grantees (Table 38).

¹ EDA states that "created jobs may be credited if the jobs were created within five years of loan disbursement or, if construction is involved, within five years after construction completion. All jobs credited must be attributable to the RLF project. A created job must be removed from the credited created jobs if the job fails to last at least 18 months. Any job which meets the creditable job created criteria is counted as part of the total actual jobs created permanently, regardless of the status of the loan.

Saved jobs are existing jobs where it can be documented that without the RLF assistance the jobs would have been lost. If an RLF borrower subsequently ceases business (or closes a segment of its business) thereby eliminating previously created or saved jobs, these jobs may continue to be counted in the Semiannual Report only if they were maintained for a minimum of 18 months prior to the loss." (EDA. 1998. *RLF Administrative Manual*, p.3).

Table 36
Loan Pools and Jobs Created/Retained by Region

EDA Region	Loan Pools That Helped to Create and/or Save Jobs		Loan Pools That Did Not Help to Create and/or Save Jobs		Total Number of Loan Pools
	Number	Percentage	Number	Percentage	
Philadelphia	82	98.8	1	1.2	83
Atlanta	83	97.6	2	2.4	85
Denver	64	100.0	0	0.0	64
Chicago	84	96.6	3	3.4	87
Seattle	77	97.5	2	2.5	79
Austin	24	100.0	0	0.0	24
All EDA Regions	414	98.1	8	1.9	422

Source: EDA RLF Semiannual Reports, October 1998.

Table 37
Loan Pools and Jobs Created/Retained by Loan Program

Loan Program	Loan Pools That Helped to Create and/or Save Jobs		Loan Pools That Did Not Help to Create and/or Save Jobs		Total Number of Loan Pools
	Number	Percentage	Number	Percentage	
LTED	271	99.6	1	0.4	272
Defense Adjustment	29	93.5	2	6.5	31
Disaster Recovery	5	100.0	0	0.0	5
SSED/Other	109	95.6	5	4.4	114
All Programs	414	98.1	8	1.9	422

Source: EDA RLF Semiannual Reports, October 1998.

Table 38
Loan Pools and Jobs Created/Retained by Date of Initial Disbursement of Funds from EDA

Date of Initial Disbursement of Funds from EDA	Loan Pools That Helped to Create and/or Save Jobs		Loan Pools That Did Not Help to Create and/or Save Jobs		Total Number of Loan Pools
	Number	Percentage	Number	Percentage	
1976 to 1982	78	98.7	1	1.3	79
1983 to 1991	211	99.5	1	0.5	212
1992 to 1994	74	97.4	2	2.6	76
1995 to 1998	51	92.7	4	7.3	55
All Years	414	98.1	8	1.9	422

Source: EDA RLF Semiannual Reports, October 1998.

Time to Disburse Loans

EDA establishes guidelines for the pace at which loans are to be disbursed: One-half of the grant amount is to be disbursed during the first 18 months; 75 percent is to be disbursed in two years; and 100 percent in three years. The three-year criterion is given more emphasis than the interim criteria, but there is also field recognition that the above schedule is unrealistic. The official timeline starts with the date of the first disbursement from EDA to the grantee, although a more realistic timeline starts from the date that the first loan is issued by the grantee. In either case, the three-year deadline is usually not met. The median amount of time taken by grantees to fully disburse the EDA grant is 3.5 years (42 months) after EDA's initial fund disbursement and a similar 3.5 years after the issuance of the first loan. Thus, the typical EDA grantee lags the desired full-disbursement date by six months. It is also obvious that due to the closeness of these two disbursement time numbers, the first loan is often made just after the receipt of the grant.

Region

Using the date of EDA's first distribution of funds to a grantee as the start time, the median amount of time taken by grantees to disburse 100 percent of the RLF grant through loans varies across regions: Chicago region, 2.9 years; Denver region, 3.1 years; Philadelphia region, 3.4 years; Atlanta region, 3.7 years; Seattle region, 4.1 years; and Austin region, 5.8 years (Table 39). When a comparison is made using the date of a grantee's first loan as the starting period, the across-

region median of 3.5 years is exceeded in the Austin (4.8 years), Seattle (4.1 years), and Atlanta (3.7 years) regions. The across-region median of 3.5 years is beaten by three to eight months in the Philadelphia (3.3 years), Denver (3.1 years), and Chicago (2.8 years) regions (Table 39).

Program

Using the date of the first disbursement of funds by EDA as the benchmark, the LTED (3.9 years) is just above the U.S. median of 3.5 years taken to fully disburse EDA grants. The SSED (3.3 years) and the Defense Adjustment (3.0 years) programs are below the median. Due to the low number of loan pools, the median for the Disaster Recovery program is not provided (Table 40). Using the date of the first loan as the index of time to distribute, the LTED program (3.8 years) is still above but closer to the median of 3.5 years taken to fully disburse EDA grants. The median cases of the SSED (2.9 years) and Defense Adjustment (2.4 years) programs take significantly less time to fully disburse EDA grants (Table 40).

Age of the RLF

Disbursement schedules have steadily improved over time. The median number of years taken to disburse loans during the 1976 to 1982 time period—5.2 years, using the date of the initial receipt of EDA funds as the starting point—was reduced to 1.3 years in the

Table 39
Time to Disburse 100 Percent of EDA Grant by Region

EDA Region	Median Number of Years Counted from Initial Receipt of EDA Grant	Median Number of Years Counted from First Loan Issued	Total Number of Loan Pools
Philadelphia	3.4	3.3	55
Atlanta	3.7	3.7	47
Denver	3.1	3.1	38
Chicago	2.9	2.8	61
Seattle	4.1	4.1	49
Austin	5.8	4.8	13
All EDA Regions	3.5	3.5	263

Source: EDA RLF Semiannual Reports, October 1998.

Table 40
Time to Disburse 100 Percent of EDA Grant by Loan Program

Loan Program	Median Number of Years Counted from Initial Receipt of EDA Grant	Median Number of Years Counted from First Loan Issued	Total Number of Loan Pools
LTED	3.9	3.8	188
Defense Adjustment	3.0	2.4	12
Disaster Recovery	N/A	N/A	4
SSED/Other	3.3	2.9	59
All Programs	3.5	3.5	263

Source: EDA RLF Semiannual Reports, October 1998.

Table 41
Time to Disburse 100 Percent of EDA Grant by Date of Initial Disbursement of Funds from EDA

Date of Initial Disbursement of Funds from EDA	Median Number of Years Counted from Initial Receipt of EDA Grant	Median Number of Years Counted from First Loan Issued	Total Number of Loan Pools
1976 to 1982	5.2	4.8	53
1983 to 1991	3.8	3.7	153
1992 to 1994	2.8	2.6	49
1995 to 1998	1.3	1.2	8
All Years	3.5	3.5	263

Source: EDA RLF Semiannual Reports, October 1998.

most recent 1995 to 1998 time period (Table 41). If the date of first loan issuance is used as the starting point, the timelines decreased to 2.6 years in the early

1990s and 1.2 years in the late 1990s (Table 41). For the decade since the early 1990s, grantees have, on average, been meeting or exceeding the desired disbursement schedule of three years.

Preloan Jobs

Preloan jobs are those jobs that already exist at the site of a business receiving an RLF expansion or retention loan. Preloan jobs are not applicable to a start-up business. Consequently, for the analysis of preloan jobs, start-up cases have been excluded. The median number of preloan jobs existing at a site is 6.0.

Region

The median number of preloan employees varies by region. The ratio of the regional range in the median number of preloan jobs is 2.25:1. In the Philadelphia region, the median number of preloan employees is nine, whereas in the Seattle region the figure is four. The Atlanta, Denver, and Austin regions have medians of five preloan jobs. The Chicago region has a median of seven preloan jobs (Table 42).

Purpose

Retention and expansion businesses have six preloan employees each (Table 43).

Type

The median number of preloan employees is highest for manufacturing firms—a median of nine preloan employees per loan site—and lowest for service and commercial firms—a median of four preloan employees per loan site (Table 44).

Program

The Defense Adjustment and Disaster Recovery programs show the greatest variation from the overall median of six preloan employees. For the Disaster Recovery program, the median number of preloan employees is 15; for the Defense Adjustment program, the median number of preloan employees is 10. The much larger number of loans under the LTED and SSED programs have a median number of preloan employees equal to the overall median of six.

Year of Loan

There is almost no variation in the median number of preloan jobs by year of the loan. The median number of preloan jobs for each year grouping for the periods 1976 through 1982 and 1995 through 1998 is five; from 1983 to 1994, the median number of preloan jobs is six.

Table 42
Preloan Jobs by Region

EDA Region	Number of Loans	Median Number of Preloan Jobs
Philadelphia	1,600	9
Atlanta	768	5
Denver	865	5
Chicago	1,112	7
Seattle	1,583	4
Austin	338	5
All EDA Regions	6,266	6

Source: EDA RLF Semiannual Reports, October 1998.

Table 43
Preloan Jobs by Loan Purpose

Loan Purpose	Number of Loans	Median Number of Preloan Jobs
Expansion	4,890	6
Retention	1,376	6
All Purposes	6,266	6

Source: EDA RLF Semiannual Reports, October 1998.

Table 44
Preloan Jobs by Business Type

Business Type	Number of Loans	Median Number of Preloan Jobs
Manufacturing	3,207	9
Commercial	1,534	4
Service/Other	1,525	4
All Types	6,266	6

Source: EDA RLF Semiannual Reports, October 1998.

Table 45
Preloan Jobs by Loan Program

Loan Program	Number of Loans	Median Number of Preloan Jobs
LTED	4,526	6
Defense Adjustment	257	10
Disaster Recovery	25	15
SSED/Other	1,458	6
All Programs	6,266	6

Source: EDA RLF Semiannual Reports, October 1998.

Table 46
Preloan Jobs by Year of Loan

Year of Loan	Number of Loans	Median Number of Preloan Jobs
1976 to 1982	208	5
1983 to 1991	2,277	6
1992 to 1994	1,463	6
1995 to 1998	2,138	5
All Years	6,266	6

Source: EDA RLF Semiannual Reports, October 1998.

Jobs Created or Saved

In semiannual reports prepared by EDA grantees, jobs are counted if they are full-time jobs explicitly funded by activities resulting from the loan. Across all regions, the median number of created or saved jobs per loan was eight.

Region

This figure is highest in the Philadelphia and Chicago regions (10) and lowest in the Seattle (5) and Austin (6) regions. The Atlanta and Denver regions fall in between, with 9 and 7 jobs, respectively. This difference is not related to existing per capita income differences in the regions; i.e., regions with counties of lower per capita income do not show a higher median number of jobs. In fact, the Philadelphia and Chicago regions, which have counties with relatively high per capita incomes, have the highest median number of jobs created or saved (Table 47).

Purpose

Expansion loans have the largest median number of jobs per loan (9). This seems reasonable. There is a backlog of demand for these businesses' services, and a new physical plant does not have to be built. Therefore, most of the funding can be directed to personnel costs. The smallest median number of jobs created per loan is in start-up businesses: A start-up loan may also support capital construction, and the start-up business may be new to a field or an area where

there is no latent demand. In the middle of the distribution, at a median of seven jobs per loan, are businesses that have been retained in place as a result of the RLF loan (Table 48).

Type

The median number of jobs created or retained by business type shows some variation between manufacturing businesses and all others. The median number of jobs created or saved per loan made to a manufacturing business is 10. That is 40 percent higher than the median number of jobs created or saved for loans made to commercial (6) and service (6) firms (Table 49).

Program

The median number of jobs created or saved by RLF loans in the LTED and SSED programs is eight (Table 50). The Defense Adjustment program, which helps businesses that once engaged in defense-related activities retool to compete in civilian markets, has a median of 12 jobs created or retained per loan. The civilian markets often require high levels of service and the number of jobs created is usually higher. On the other hand, most moneys lent through the Disaster Recovery program are for capital replacement purposes, and the number of new or retained jobs is usually lower. In this case, the median number of jobs created or saved per loan is six (Table 50).

Table 47
Jobs Created or Saved per Loan, by Region

EDA Region	Number of Loans	Median Number of Jobs Created or Saved per Loan
Philadelphia	3,072	10
Atlanta	1,870	9
Denver	1,416	7
Chicago	2,177	10
Seattle	2,456	5
Austin	609	6
All EDA Regions	11,600	8

Source: EDA RLF Semiannual Reports, October 1998.

Table 48
Jobs Created or Saved per Loan, by Loan Purpose

Loan Purpose	Number of Loans	Median Number of Jobs Created or Saved per Loan
Start-Up	3,438	6
Expansion	6,320	9
Retention	1,842	7
All Purposes	11,600	8

Source: EDA RLF Semiannual Reports, October 1998.

Table 49
Jobs Created or Saved per Loan, by Business Type

Business Type	Number of Loans	Median Number of Jobs Created or Saved per Loan
Manufacturing	5,700	10
Commercial	2,797	6
Service/Other	3,103	6
All Types	11,600	8

Source: EDA RLF Semiannual Reports, October 1998.

Table 50
Jobs Created or Saved per Loan, by Loan Program

Loan Program	Number of Loans	Median Number of Jobs Created or Saved per Loan
LTED	8,303	8
Defense Adjustment	384	12
Disaster Recovery	85	6
SSED/Other	2,828	8
All Programs	11,600	8

Source: EDA RLF Semiannual Reports, October 1998.

Table 51
Jobs Created or Saved per Loan, by Year of Loan

EDA Region	Number of Loans	Median Number of Jobs Created or Saved per Loan
1976 to 1982	575	13
1983 to 1991	4,337	10
1992 to 1994	2,569	8
1995 to 1998	4,119	6
All Years	11,600	8

Source: EDA RLF Semiannual Reports, October 1998.

Year of Loan

The median number of jobs created or saved per loan was highest in the period 1974 to 1982 (13). In the middle periods (1983 to 1991; 1992 to 1994) the figures were 10 and 8 jobs, respectively; and in the most recent period (1995 to 1998) the median number of jobs created or saved was six. Approximately 60 percent of the loans for which information is available on job creation and retention have been consummated since 1992. The number of loans processed for the seven-year period 1992 through 1998 is 36 percent greater than the number of loans processed from 1976 through 1991 (Table 51).

Cost per Job

The EDA cost of a job created or retained by the RLF program is calculated at the grantee level as of October 1998. The total cost of the RLF program (EDA plus grantee) is the sum of the RLF grant, the matching funds, and the compounded interest that they would have generated had they not been disbursed. From this amount are subtracted the current RLF capital base, which includes repaid and committed RLF funds not yet disbursed, RLF funds reserved for loan guarantees, and the outstanding RLF principal on the active loans. The annual interest rate charged is the average federal Treasury bill rate for the year in which EDA funds were given.

Two separate cost per job calculations are tabulated. The RLF fund cost per job (EDA plus grantee) is the total cost of the RLF divided by the number of jobs created and retained by the loan recipients. The median cost per job is \$1,276. The EDA cost per job is the percentage share of the EDA grant multiplied by the cost per job. The median EDA cost per job is \$936.

Region

The RLF fund cost per job (EDA plus grantee) varies considerably by region. It is lowest in the Chicago region (\$921) and highest in the Seattle region (\$2,655) (Table 52). Median RLF fund costs per job for other regions are as follows: Atlanta, \$948; Philadelphia, \$1,162; Denver, \$1,364; and Austin, \$2,103.

The median EDA cost per job is lower and parallel to the above results. The Chicago region has the lowest EDA cost per job (\$662) and the Seattle region has the highest EDA cost per job (\$1,717). Median EDA costs per job for other regions are as follows: Atlanta, \$695; Philadelphia, \$869; Denver, \$929; and Austin, \$1,576.

Program

The LTED and Defense Adjustment programs have median RLF fund costs per job (\$1,196 and \$1,216, respectively) close to the overall median. The median RLF fund cost per job of the SSED program is \$1,690. The high cost per job figure (\$6,706) of the Disaster Recovery program can be explained by the relatively few number of cases and the significant capital reconstruction costs involved in these projects.

Not surprisingly, the median EDA cost per job follows a similar pattern. It is lowest in the LTED (\$858) and Defense Adjustment (\$946) programs, and significantly above the overall median (\$936) in the SSED (\$1,289) and Disaster Recovery (\$5,451) programs.

Age of RLF

Other than for the 1976 to 1982 period (\$2,331), the median RLF fund cost per job does not vary much from the overall median, from \$1,137 for the period 1995 to 1998 to \$1,431 for the period 1992 to 1994.

Table 52
Cost per Job by Region

EDA Region	Median Cost per Job— EDA (\$)	Median Cost per Job— EDA + Grantee (\$)	Total Number of Loan Pools
Philadelphia	869	1,162	83
Atlanta	695	948	86
Denver	929	1,364	72
Chicago	662	921	84
Seattle	1,717	2,655	79
Austin	1,576	2,103	23
All EDA Regions	936	1,276	427

Source: EDA RLF Semiannual Reports, October 1998.

Table 53
Cost per Job by Loan Program

Loan Program	Median Cost per Job— EDA (\$)	Median Cost per Job— EDA + Grantee (\$)	Total Number of Loan Pools
LTED	858	1,196	270
Defense Adjustment	946	1,216	31
Disaster Recovery	5,451	6,706	5
SSED/Other	1,289	1,690	121
All Programs	936	1,276	427

Source: EDA RLF Semiannual Reports, October 1998.

Table 54
Cost per Job by Age of RLF

Date of Initial Disbursement of Funds from EDA	Median Cost per Job— EDA (\$)	Median Cost per Job— EDA + Grantee (\$)	Total Number of Loan Pools
1976 to 1982	2,339	2,331	77
1983 to 1991	816	1,151	208
1992 to 1994	988	1,431	74
1995 to 1998	812	1,137	68
All Years	936	1,276	427

Source: EDA RLF Semiannual Reports, October 1998.

The EDA cost per job follows the same pattern. It is lower for the 1995 to 1998 (\$812) and 1983 to 1991 (\$816) periods. It is slightly higher than the overall

median (\$936) for the 1992 to 1994 period (\$988) and considerably higher for the 1976 to 1982 period (\$2,038).

Interest Rate

The interest rate is the rate charged by RLFs to loan recipients. The grantee establishes the interest rate according to local conditions which reflect (1) local bank rates, (2) risk levels, (3) the applicant pool, and (4) the type of project. Usually, the interest rate is below both the local lending rate and the prime rate. The median interest rate for RLF loans is 7.5 percent for the period studied.

Region

Median interest rates for RLF loans show significant variation by region. Median RLF interest rates have been highest in the West and Southwest (8.5 percent in the Seattle and Austin regions) and lowest in the country's mid-section (6 percent in the Denver and 6.6 percent in the Chicago regions). Interest rates have been at the median on the East Coast (7 percent in the Philadelphia region; 7.5 percent in the Atlanta region) (Table 55).

Purpose

Retention RLF loans have the lowest interest rate at 7 percent; start-up and expansion loans have a median interest rate of 7.5 percent (Table 56).

Type

All business types (manufacturing, commercial, and service establishments) have the same median interest rate of 7.5 percent (Table 57).

Program

Variation from the median nominal interest rate over the period 1974 to 1998 (7.5 percent) has occurred in two programs. The Disaster Recovery program's median loan rate is about three-quarters of a percent higher than the overall median. The median SSED program loan rate is about one-half percent lower than the overall median (Table 58). The above fluctuations probably have more to do with time of initiation than with variation by program.

Year of Loan

Median interest rates for RLF loans vary from a high of 10 percent during the 1970s and early 1980s to a low of 6 percent during the early 1990s. During the later part of the 1980s and later part of the 1990s, the median rates were slightly above or slightly below the overall median of 7.5 percent (Table 59).

Table 55
Interest Rate by Region

EDA Region	Number of Loans	Median Interest Rate (%)
Philadelphia	2,782	7.0
Atlanta	1,566	7.5
Denver	1,402	6.0
Chicago	2,121	6.6
Seattle	2,367	8.5
Austin	599	8.5
All EDA Regions	10,837	7.5

Source: EDA RLF Semiannual Reports, October 1998.

Table 56
Interest Rate by Loan Purpose

Loan Purpose	Number of Loans	Median Interest Rate (%)
Start-Up	3,281	7.5
Expansion	5,827	7.5
Retention	1,729	7.0
All Purposes	10,837	7.5

Source: EDA RLF Semiannual Reports, October 1998.

Table 57
Interest Rate by Business Type

Business Type	Number of Loans	Median Interest Rate (%)
Manufacturing	(5,396)	7.5
Commercial	(2,627)	7.5
Service/Other	(2,814)	7.5
All Types	10,837	7.5

Source: EDA RLF Semiannual Reports, October 1998.

Table 58
Interest Rate by Loan Program

Loan Program	Number of Loans	Median Interest Rate (%)
LTED	7,878	7.5
Defense Adjustment	375	7.5
Disaster Recovery	73	8.3
SSED/Other	2,511	7.0
All Programs	10,837	7.5

Source: EDA RLF Semiannual Reports, October 1998.

Table 59
Interest Rate by Region

Year of Loan	Number of Loans	Median Interest Rate (%)
1976 to 1982	430	10.0
1983 to 1991	3,920	8.0
1992 to 1994	2,506	6.0
1995 to 1998	3,981	7.0
All Years	10,837	7.5

Source: EDA RLF Semiannual Reports, October 1998.

Interest Rate Below Prime

The interest rate for an RLF loan is most often below the prime rate.¹ RLF interest rates for the active RLF portfolio viewed in October 1998 were 1.25 percent below the prime rate. Rates below the prime rate are dependent on regional location, the purpose of the loan, the type of business receiving the loan, EDA program, and the year the loan was issued. The median rate difference below the prime rate tends to be larger when the prime rate is high; when the loan is issued in an older, slower-growing region; when the loan is issued for retaining a business; when the loan promotes manufacturing; or for basic EDA economic adjustment programs (LTED or SSED).

Region

Historically, the median interest rates most below the prime rate has been in the Denver region (2.25 percent below prime) and the Chicago region (2.00 percent). The median interest rates least below the prime rate have been in the fastest growing areas—the Seattle region (0.08 percent) and the Austin region (0.15 percent). Interest rate difference below the prime rate is slightly below the median rate difference in the Atlanta region

(1.02 percent below prime) and above the overall median rate difference in the Philadelphia region (1.75 percent) (Table 60).

Purpose

The median interest rate difference below the prime rate is greatest for retention loans (1.44 percent) and least for start-up loans (1.15 percent). The median difference for an expansion loan is 1.21 percent (Table 61).

Type

The median interest rate difference below the prime rate for an EDA RLF loan is greatest for manufacturing businesses (1.35 percent) and least for commercial businesses (1.04 percent). The median difference for service establishments is 1.07 percent (Table 62).

Program

The median difference is most for EDA's SSED program (1.40 percent) and least for the Disaster Recovery program (0.10 percent) and the Defense Adjustment program (0.80 percent). The median difference for the LTED program is at the overall median (1.25 percent) (Table 63).

¹ The prime rate is the minimum interest rate charged by a commercial bank on short-term business loans to their most creditworthy customers (usually the most prominent and stable business customers).

Table 60
Interest Rate below the Prime Rate
by Region

EDA Region	Number of Loans	Median Interest Rate below the Prime Rate (%)
Philadelphia	2,778	-1.75
Atlanta	1,565	-1.02
Denver	1,398	-2.25
Chicago	2,114	-2.00
Seattle	2,364	-0.08
Austin	599	-0.15
All EDA Regions	10,818	-1.25

Source: EDA RLF Semiannual Reports, October 1998.

Table 61
Interest Rate below the Prime Rate
by Loan Purpose

Loan Purpose	Number of Loans	Median Interest Rate below the Prime Rate (%)
Start-Up	3,273	-1.15
Expansion	5,819	-1.21
Retention	1,726	-1.44
All Purposes	10,818	-1.25

Source: EDA RLF Semiannual Reports, October 1998.

Table 62
Interest Rate below the Prime Rate
by Business Type

Business Type	Number of Loans	Median Interest Rate below the Prime Rate (%)
Manufacturing	5,387	-1.35
Commercial	2,621	-1.04
Service/Other	2,810	-1.07
All Types	10,818	-1.25

Source: EDA RLF Semiannual Reports, October 1998.

Table 63
Interest Rate below the Prime Rate
by Loan Program

Loan Program	Number of Loans	Median Interest Rate below the Prime Rate (%)
LTED	7,867	-1.25
Defense Adjustment	374	-0.83
Disaster Recovery	73	-0.10
SSED/Other	2,504	-1.40
All Programs	10,818	-1.25

Source: EDA RLF Semiannual Reports, October 1998.

Table 64
Interest Rate below the Prime Rate
by Year of Loan

Year of Loan	Number of Loans	Median Interest Rate below the Prime Rate (%)
1976 to 1982	417	-5.76
1983 to 1991	3,920	-1.46
1992 to 1994	2,506	-0.15
1995 to 1998	3,975	-1.35
All Years	10,818	-1.25

Source: EDA RLF Semiannual Reports, October 1998.

Year of Loan

The median difference varies from a high of 5.75 percent in the 1970s and early 1980s to a low of 0.15 percent in the early 1990s. The median is close to the historical median of 1.25 percent in both the 1980s (1.46 percent) and the late 1990s (1.35 percent) (Table 64).

Default/Write-Off Rate

A loan is in default if there have been no payments for two months or more. Loans are written-off if nonpayments exceed six months. The default/write-off rate per loan is expressed as dollars not repaid divided by dollars lent. The mean of the default/write-off rates computed for the 11,600 loans over the 25-year history of the RLF program is 8.6 percent. This default/write-off rate is tabulated for loans issued by RLFs that were active as of October 1998. To place this figure in perspective, prime commercial real estate loans have a default rate of approximately 3 percent and conventional residential mortgages have a default rate of about 5 percent. Thus, the RLF average default/write-off rate is only about 2 to 3 times that of commercial real estate loans. That is quite remarkable since most of the applicants for RLF loans have been denied access to credit by commercial banks or they have not applied to commercial banks because they believe their application would be denied.

Region

The default/write-off rate differs by region. It is just below the mean in the Philadelphia region (7.7 percent) and in the Seattle region (8.0 percent). It is considerably below the mean in the Chicago region (5.7 percent) and considerably above the mean in the Denver region (11.3 percent), the Atlanta region (11.2 percent), and the Austin region (12.4 percent) (Table 65).

Purpose

The mean default/write-off rate varies substantially by the purpose of the loan. It is highest for business retention and start-up loans (10.3 percent and 10.2 percent, respectively); it is lowest for expansion loans (7.2 percent) (Table 66). One would expect the differences in default/write-off rates to reflect the realities of the lending environment. Start-ups and retentions are both risky. Start-up loan applicants usually have limited or no experience in the activity for which the loan is being sought; retention-loan applicants have experience but their businesses are not prospering and a change of location is likely if the loan is not forthcoming. The expansion-loan applicant, however, represents a business whose competitiveness would be enhanced by additional funding. The average default/write-off rate on expansion loans is not much different from the average default/write-off rate on commercial loans.

Type

Default/write-off rates vary less by type of business. The default/write-off rate for manufacturing businesses is 8.7 percent, or at the average for all types of businesses. Commercial businesses exhibit a default/write-off rate about 0.8 above the average (9.4 percent); service businesses exhibit a default/write-off rate 1.0 below the average (7.6 percent) (Table 67).

Program

Two programs (Disaster Recovery and Defense Adjustment) are 27 to 34 percent above the average default/write-off rate at 10.9 percent and 11.5 percent, respectively; the SSED program is 20 percent below the average default/write-off rate at 6.9 percent (Table 68). Finally, the LTED program is slightly above the mean default/write-off rate at 9 percent. The SSED program is clearly different from the rest. Businesses benefiting from the SSED program tend to be viable businesses that have been hit by a business cycle. Therefore, once the economy improves they are more likely to return to a viable status than businesses affected by defense slowdowns, disasters, or long-term economic conditions.

Year of Loan

The default/write-off rate on RLF loans greatly improved from the period 1974 through 1982 to the period 1995 through 1998. In the earlier period, the average default/write-off rate was 15 percent. This rate decreased to less than 10 percent in the 1980s; to 7.2 percent in the early 1990s; and to 6.5 percent from 1995 to 1998 (Table 69). The 1990s were excellent economic times in which most businesses prospered. It could also be argued that RLF grantees—especially the ones that were established in the early years of the RLF program—have acquired experience and instituted best practices over the years.

Loan Size

The default/write-off rate appears to have a slightly inverse correlation with the amount of the RLF loan. RLF loans are grouped into four categories ranging from \$25,000 and under to \$100,000 and over. The default/write-off rate in the lowest loan range is 9 percent; in the highest loan range it is 8.6 percent (Table 70). The \$50,000 to \$99,999 loans have a slightly lower rate than the \$100,000, or greater, loans. Each of the loan amount ranges have 2,000 to 2,700 loans upon which the default/write-off figures are based. The experience of conventional loans is that default/write-off rates often improve with the amount of the loan. This is also true for RLFs. Large loans receive greater initial scrutiny and are usually requested by businesspeople with more collateral and business experience. As a result they tend to fail at a lower rate.

Table 65
Default/Write-Off Rate by Region

EDA Region	Number of Loans	Mean Default/Write-Off Rate (%)
Philadelphia	2,611	7.7
Atlanta	1,571	11.2
Denver	1,112	11.3
Chicago	1,846	5.7
Seattle	2,060	8.0
Austin	512	12.4
All EDA Regions	9,712	8.6

Source: EDA RLF Semiannual Reports, October 1998.

Table 66
Default/Write-Off Rate by Loan Purpose

Loan Purpose	Number of Loans	Mean Default/Write-Off Rate (%)
Start-Up	2,879	10.2
Expansion	5,322	7.2
Retention	1,511	10.3
All Purposes	9,712	8.6

Source: EDA RLF Semiannual Reports, October 1998.

Table 67
Default/Write-Off Rate by Business Type

Business Type	Number of Loans	Mean Default/Write-Off Rate (%)
Manufacturing	4,911	8.7
Commercial	2,313	9.4
Service/Other	2,488	7.6
All Types	9,712	8.6

Source: EDA RLF Semiannual Reports, October 1998.

Table 68
Default/Write-Off Rate by Loan Program

Loan Program	Number of Loans	Mean Default/Write-Off Rate (%)
LTED	7,178	9.0
Defense Adjustment	231	11.5
Disaster Recovery	60	10.9
SSED/Other	2,243	6.9
All Programs	9,712	8.6

Source: EDA RLF Semiannual Reports, October 1998.

Table 69
Default/Write-Off Rate by Year of Loan

Year of Loan	Number of Loans	Mean Default/Write-Off Rate (%)
1976 to 1982	574	15.0
1983 to 1991	4,332	9.7
1992 to 1994	2,559	7.2
1995 to 1998	2,247	6.5
All Years	9,712	8.6

Source: EDA RLF Semiannual Reports, October 1998.

Table 70
Default/Write-Off Rate by Loan Size

Loan Size	Number of Loans	Mean Default/Write-Off Rate (%)
Less than \$25,000	2,650	9.0
\$25,000-\$49,999	2,328	8.6
\$50,000-\$99,999	2,642	8.2
\$100,000 or more	2,092	8.6
All Loans	9,712	8.6

Source: EDA RLF Semiannual Reports, October 1998.

Growth of the Loan Pool

The annual percentage growth of the loan pool is another measure of how well an RLF is performing. The loan pool grows as interest is paid on the loans. Growth is slowed by defaults and write-offs. The data used to view the growth of the loan pool is grantee based, starts at the original RLF amount, and is altered over time by interest earnings and bad debt. Information available at the grantee level includes the above information plus region, program, and year of grant.

Median RLF loan pool growth is 1.1 percent per year. This figure represents the total percentage growth of the loan pool between its initial size and its size in October 1998 divided by the number of years the loan pool has been issuing loans.

Region

The median loan pool growth rates show significant variation by region. Median annual percentage growth is greatest in the Atlanta and Chicago regions (1.7 percent and 1.8 percent, respectively); lowest in the Austin region (0.4 percent). Median percentage growth in the Philadelphia, Seattle, and Denver regions is 0.7 percent, 0.8 percent, and 1.2 percent, respectively (Table 71).

To a certain degree, this variation follows default/write-off rates: where the growth is high, default/write-off rates are low (Chicago region) and where the growth is low, default/write-off rates are high (Aus-

tin region). On the other hand, the Atlanta region has a high default/write-off rate and a high growth rate, and the Denver region has a high default/write-off rate and a moderate growth rate.

Program

Variation in loan pool growth by program is not significant. Defense Adjustment and SSED program RLFs grew at faster than the 1.1 percent median annual growth for all loan pools (1.5 percent and 1.3 percent, respectively). The LTED program's median growth rate (1 percent) is slightly lower than the median annual growth rate (Table 72). The Disaster Recovery Program's median loan pool actually declines by 0.2 percent annually.

Age of RLF

Median loan pool growth was greater for loan pools established during the 1990s (1.4 percent to 1.5 percent annually) than it was for loan pools established in the 1980s (0.7 percent to 1.2 percent annually). Median loan pool growth was at its lowest for funds established during the period 1974 through 1982 (0.7 percent annually) (Table 73).

Table 71
Loan Pool Growth (%) by Region

EDA Region	Number of Loan Pools	Median Loan Pool Growth (%)
Philadelphia	77	0.7
Atlanta	81	1.7
Denver	60	1.2
Chicago	79	1.8
Seattle	77	0.8
Austin	23	0.4
All EDA Regions	397	1.1

Source: EDA RLF Semiannual Reports, October 1998.

Table 72
Loan Pool Growth (%) by Loan Program

Loan Program	Number of Loan Pools	Median Loan Pool Growth (%)
LTED	262	1.0
Defense Adjustment	27	1.5
Disaster Recovery	5	-0.2
SSED/Other	103	1.3
All Programs	397	1.1

Source: EDA RLF Semiannual Reports, October 1998.

Table 73
Loan Pool Growth (%) by Year of Loan

Year of Loan	Number of Loan Pools	Median Loan Pool Growth (%)
1976 to 1982	76	0.7
1983 to 1991	210	1.2
1992 to 1994	72	1.5
1995 to 1998	39	1.4
All Years	397	1.1

Source: EDA RLF Semiannual Reports, October 1998.

Combined Financial Index

A combined financial index is yet another gauge to view the performance of RLF loans: The decade growth rate of the loan pool, expressed as a whole number, is divided by the default/write-off rate, also expressed as a whole number. Using the average observed for each, the index is constructed as follows

$$\frac{10 (\text{average annual growth rate})}{\text{default rate}}$$

A ten-year period is used for the index because it usually represents an initial plus a replenishment (recapitalization) cycle. The index looks at performance solely for this period of time. This index is based on grantee data and as such, information is available only by region, program, and year. The median index for the decade growth rate divided by the default/write-off rate is 1.04. In other words, strictly for a decade period, growth supporting the base exceeds default/write-off taking away from the base by 4 percent.

Region

The combined growth-default/write-off index varies significantly by EDA region. It is best in the Chicago region at 2.48 reflecting higher growth rates or lower default/write-off rates or both (Table 74). It is worst in the Philadelphia, Seattle, and Austin Regions at 0.46 to 0.59, reflecting lower growth rates or higher default/write-off rates or both. In the Atlanta and

Denver regions, the combined index is 1.14 and 1.09, respectively.

Program

The median index is highest for the SSED Program (1.11) and lowest for the Disaster Recovery program (-0.03). The former shows higher levels of growth and lower levels of default/write-off. The latter shows negative growth and high levels of default/write-off. The Defense Adjustment program receives a median index of 0.61, which shows low growth and moderate levels of default/write-off. The LTED program shows a median index of 1.07, which is close to the median of 1.04. This means that the LTED program exhibits similar growth rates and defaults/write-offs (Table 75).

Age of RLF

The index of RLF performance improves dramatically over time. The most recent loan funds (post-1996) perform better (2.72) than the oldest (pre-1982) set of loan funds (0.41) (Table 76). Loan funds in the middle-to-late 1980s performed at a level of 1.12. Those in the early 1990s performed at a level of 1.57, which is approximately 50 percent above the overall median.

Table 74
Combined Financial Index by Region

EDA Region	Number of Loan Pools	Median Combined Financial Index
Philadelphia	74	0.46
Atlanta	78	1.14
Denver	60	1.09
Chicago	78	2.48
Seattle	77	0.52
Austin	23	0.59
All EDA Regions	390	1.04

Source: EDA RLF Semiannual Reports, October 1998.

Table 75
Combined Financial Index by Loan Program

Loan Program	Number of Loan Pools	Median Combined Financial Index
LTED	259	1.07
Defense Adjustment	26	0.61
Disaster Recovery	5	-0.03
SSED/Other	100	1.11
All Programs	390	1.04

Source: EDA RLF Semiannual Reports, October 1998.

Table 76
Combined Financial Index by Year of Loan

Year of Loan	Number of Loan Pools	Median Combined Financial Index
1976 to 1982	75	0.41
1983 to 1991	206	1.12
1992 to 1994	70	1.57
1995 to 1998	39	2.72
All Years	390	1.04

Source: EDA RLF Semiannual Reports, October 1998.

Employee Diversity Supported by RLF Loans— Minority Employees

RLF loans produce or retain jobs that contribute to minority and female employment. The study's definition of minority population includes the following groups: African Americans, Hispanics, Asians, and/or Native Americans. Loan recipients are asked to count new or retained workers who are minority or female. Both are counted separately, and there is no way to determine the amount of overlap. This section of the report deals with minority employees; the following section deals with female employees. The percentage of minority workers in jobs created or retained by RLF loans is 17 percent.

Region

The percentage minority employees by region exhibits significant variation from the mean. The Atlanta (29 percent) and Seattle regions (24 percent) are at the high end; the Philadelphia (8 percent), Denver (9 percent), and Chicago regions (10 percent) are at the low end (Table 77). RLF loans create jobs for minority employees in the Austin region at about the average rate (18 percent).

Purpose

The percentage of minority employees in new or retained jobs shows little variation by purpose of the RLF loan. Loans for business start-ups and expansions (85 percent of all loans) create jobs for minority employees at a level of 17 percent of all employees. The percentage of minority employees in retained jobs is 15 percent (Table 78).

Type

Commercial and service establishments provide higher percentages of jobs for minority employees (19 percent and 18 percent, respectively) than do manufacturing establishments (15 percent) (Table 79).

Program

Of the two largest programs, the SSED program has a higher percentage of jobs for minority employees (19 percent) than the LTED program (16 percent). Of the smaller programs, the Defense Adjustment program has the smallest percentage of jobs filled by minority employees (12 percent) and the Disaster Recovery program has the largest percentage of jobs for minority employees (45 percent) (Table 80).

Year of Loan

The percentage of jobs held by minority employees was slightly higher before 1992 (18 percent to 19 percent) than it has been since 1992 (16 percent) (Table 81).

Loan Size

Generally speaking, the larger the RLF loan amount, the smaller the percentage of jobs held by minority employees. For RLF loans of less than \$25,000,

Table 77
Jobs Held by Minority Employees
(by Region)

EDA Region	Number of Loans	Jobs Held by Minority Employees (%)
Philadelphia	1,475	8
Atlanta	1,194	29
Denver	1,036	9
Chicago	1,605	10
Seattle	2,208	24
Austin	556	18
All EDA Regions	8,074	17

Source: EDA RLF Semiannual Reports, October 1998.

Table 78
Jobs Held by Minority Employees
(by Loan Purpose)

Loan Purpose	Number of Loans	Jobs Held by Minority Employees (%)
Start-Up	2,615	17
Expansion	4,343	17
Retention	1,116	15
All Purposes	8,074	17

Source: EDA RLF Semiannual Reports, October 1998.

Table 79
Jobs Held by Minority Employees
(by Business Type)

Business Type	Number of Loans	Jobs Held by Minority Employees (%)
Manufacturing	3,887	15
Commercial	2,061	19
Service/Other	2,126	18
All Types	8,074	17

Source: EDA RLF Semiannual Reports, October 1998.

21 percent of the jobs created or retained are held by minority employees. For RLF loans in the \$50,000 to \$99,999 range, the share of minority employees drops by one-third to 14 percent. This approximate share

Table 80
Jobs Held by Minority Employees
(by Loan Program)

Loan Program	Number of Loans	Jobs Held by Minority Employees (%)
LTED	6,082	16
Defense Adjustment	228	12
Disaster Recovery	10	45
SSED/Other	1,754	19
All Programs	8,074	17

Source: EDA RLF Semiannual Reports, October 1998.

Table 81
Jobs Held by Minority Employees
(by Year of Loan)

Year of Loan	Number of Loans	Jobs Held by Minority Employees (%)
1976 to 1982	243	19
1983 to 1991	3,053	18
1992 to 1994	1,908	16
1995 to 1998	2,870	16
All Years	8,074	17

Source: EDA RLF Semiannual Reports, October 1998.

Table 82
Jobs Held by Minority Employees
(by Loan Size)

Loan Size	Number of Loans	Jobs Held by Minority Employees (%)
Less than \$25,000	2,299	21
\$25,000–\$49,999	2,033	15
\$50,000–\$99,999	2,169	14
\$100,000 or more	1,561	16
All Loans	8,074	17

Source: EDA RLF Semiannual Reports, October 1998.

of new or retained minority employees (15 percent to 16 percent) also holds for size categories on either side of the \$50,000 to \$99,000 category (Table 82).

Employee Diversity Supported by RLF Loans— Female Employees

Twenty percent of the jobs created or retained through RLF loans are held by women.

Region

The share of new or retained jobs held by women varies by region as follows: Atlanta region, 26 percent; Denver region, 23 percent; Seattle region, 22 percent; Chicago region, 18 percent; Philadelphia region, 17 percent; and Austin region, 14 percent (Table 83).

Purpose

The share of new or retained jobs held by female employees is larger in start-up businesses (22 percent) than it is in expansion and retention businesses (20 percent each) (Table 84).

Type

The share of new or retained jobs held by female employees is larger in service and commercial establishments (25 percent and 26 percent, respectively) than it is in manufacturing establishments (15 percent) (Table 85).

Program

New and retained jobs held by female employees are most often supported by RLF loans associated with the Disaster Recovery program (29 percent) and least often supported by RLF loans associated with the Defense Adjustment program (14 percent). Women hold 21 percent of the jobs supported by RLF loans associated with the LTED program and 18 percent of the jobs supported by the loans associated with the SSED program (Table 86).

Year of Loan

The share of jobs supported by RLF loans held by female employees has increased dramatically over time. In the early 1980s and before, the share of new and retained jobs held by female employees was 7 percent. From the mid-1980s through 1991, the share was 17 percent. Since 1992, it has been 23 percent to 24 percent (Table 87).

Loan Size

The share of jobs created or retained by RLF loans held by female employees decreases slightly with loan size. For RLF loans of less than \$25,000, 22 percent of the jobs created or retained are held by women. For loans of \$100,000 or more, the percentage is 18 percent (Table 88).

Table 83
Jobs Held by Female Employees
(by Region)

EDA Region	Number of Loans	Jobs Held by Female Employees (%)
Philadelphia	1,461	17
Atlanta	1,199	26
Denver	1,037	23
Chicago	1,484	18
Seattle	2,206	22
Austin	556	14
All EDA Regions	7,943	20

Source: EDA RLF Semiannual Reports, October 1998.

Table 84
Jobs Held by Female Employees
(by Loan Purpose)

Loan Purpose	Number of Loans	Jobs Held by Female Employees (%)
Start-Up	2,573	22
Expansion	4,275	20
Retention	1,095	20
All Purposes	7,943	20

Source: EDA RLF Semiannual Reports, October 1998.

Table 85
Jobs Held by Female Employees
(by Business Type)

Business Type	Number of Loans	Jobs Held by Female Employees (%)
Manufacturing	3,809	15
Commercial	2,031	26
Service/Other	2,103	25
All Types	7,943	20

Source: EDA RLF Semiannual Reports, October 1998.

Table 86
Jobs Held by Female Employees
(by Loan Program)

Loan Program	Number of Loans	Jobs Held by Female Employees (%)
LTED	5,959	21
Defense Adjustment	229	14
Disaster Recovery	10	29
SSED/Other	1,745	18
All Programs	7,943	20

Source: EDA RLF Semiannual Reports, October 1998.

Table 87
Jobs Held by Female Employees
(by Year of Loan)

Year of Loan	Number of Loans	Jobs Held by Female Employees (%)
1976 to 1982	238	7
1983 to 1991	2,979	17
1992 to 1994	1,879	24
1995 to 1998	2,847	23
All Years	7,943	20

Source: EDA RLF Semiannual Reports, October 1998.

Table 88
Jobs Held by Female Employees
(by Loan Size)

Loan Size	Number of Loans	Jobs Held by Female Employees (%)
Less than \$25,000	2,263	22
\$25,000-\$49,999	2,000	22
\$50,000-\$99,999	2,129	20
\$100,000 or more	1,539	18
All Loans	7,943	20

Source: EDA RLF Semiannual Reports, October 1998.

RLF Loans and Minority-Owned Businesses

The RLF program actively seeks to lend to businesses that have a majority ownership by minorities. How successful is EDA in this venture? For the median grantee, just over 2 percent of the RLF dollars are lent to businesses whose primary ownership is minority.

Region

The median share of RLF dollars lent to minority-owned businesses varies significantly by EDA region. It is highest in the Seattle region (9.3 percent), followed by the Austin (4.8 percent) and Atlanta (4.2 percent) regions. The median share falls below the U.S. median in the Philadelphia region (0.9 percent) and is almost nonexistent in the Chicago (0.3 percent) and Denver (0 percent) regions (Table 89).

Program

There is also significant variation in loans to minority businesses by EDA program. In the Disaster Recovery program, 22 percent of the businesses getting loans are minority. This figure falls to just under 5 percent in the Defense Adjustment program and about 2.6 percent in the LTED program. The median percentage of loan funds to minority businesses in the SSED program is zero (Table 90).

Age of RLF

The median percentage of loan funds issued to minority-owned businesses has decreased significantly over time. From 1976 to 1982, the median percentage of loan funds issued to minority-owned businesses was 4.6 percent; this dropped to 1.8 percent during the period from 1983 to 1991 and to 0 percent during the period 1992 to 1998. There is no reasonable explanation, other than competing sources of loans, for the trends after 1992 (Table 91).

Table 89
Percentage of RLF Funds Lent to Minority-Owned Businesses
(by Region)

EDA Region	Number of Loan Pools	Median Percentage of Funds (%)
Philadelphia	77	0.9
Atlanta	79	4.2
Denver	66	0.0
Chicago	82	0.3
Seattle	74	9.3
Austin	21	4.8
All EDA Regions	399	2.1

Source: EDA RLF Semiannual Reports, October 1998.

Table 91
Percentage of RLF Funds Lent to Minority-Owned Businesses
(by Age of RLF)

Age of RLF	Number of Loan Pools	Median Percentage of Funds (%)
1976 to 1982	67	4.6
1983 to 1991	199	1.8
1992 to 1994	71	0.0
1995 to 1998	62	0.0
All Years	399	2.1

Source: EDA RLF Semiannual Reports, October 1998.

Table 90
Percentage of RLF Funds Lent to Minority-Owned Businesses
(by Loan Program)

Loan Program	Number of Loan Pools	Median Percentage of Funds (%)
LTED	258	2.6
Defense Adjustment	29	4.5
Disaster Recovery	4	22.1
SSED/Other	108	0.0
All Programs	399	2.1

Source: EDA RLF Semiannual Reports, October 1998.

RLF Loans and Female-Owned Businesses

The median percentage of RLF dollars lent to businesses owned by women is 7 percent.

Region

The median percentage of RLF funds lent to female-owned businesses shows significant variation by region. It is highest in the Austin (12.3 percent) and Seattle regions (10.6 percent) and lowest in the Denver region (4.3 percent). It is near the U.S. median in the Chicago (7.1 percent), Atlanta (6.5 percent), and Philadelphia (6.5 percent) regions (Table 92).

Program

The median percentage of RLF loan funds issued to businesses owned by women is highest in the Disaster Recovery program (42.3 percent) and lowest in the Defense Adjustment program (2.3 percent). It is close to the median of 7.1 percent in the LTED (7.8 percent) and SSED (5.8 percent) programs (Table 93).

Age of RLF

The median percentage of RLF dollars lent to women has varied from a low of 4 percent to 5 percent in the 1970s and early 1980s and in the period 1995 to 1998, to a high of 7 percent to 8 percent from 1983 to 1994 (Table 94). As in the preceding section's case of minority lending trends, it is difficult to assign a reason to this variation.

Table 92
Percentage of RLF Funds Lent to Female-Owned Businesses
(by Region)

EDA Region	Number of Loan Pools	Median Percentage of Funds (%)
Philadelphia	77	6.5
Atlanta	78	6.5
Denver	68	4.3
Chicago	82	7.1
Seattle	72	10.6
Austin	21	12.3
All EDA Regions	398	7.1

Source: EDA RLF Semiannual Reports, October 1998.

Table 94
Percentage of RLF Funds Lent to Minority-Owned Businesses
(by Age of RLF)

Age of RLF	Number of Loan Pools	Median Percentage of Funds (%)
1976 to 1982	67	4.8
1983 to 1991	197	8.0
1992 to 1994	71	7.3
1995 to 1998	63	4.5
All Years	398	7.1

Source: EDA RLF Semiannual Reports, October 1998.

Table 93
Percentage of RLF Funds Lent to Minority-Owned Businesses
(by Loan Program)

Loan Program	Number of Loan Pools	Median Percentage of Funds (%)
LTED	256	7.8
Defense Adjustment	29	2.3
Disaster Recovery	5	42.3
SSED/Other	108	5.8
All Programs	398	7.1

Source: EDA RLF Semiannual Reports, October 1998.

Summary and Conclusions

As of September 2001, the RLF program has issued 637 grants, from which 15,000 loans were made in the amount of \$700 million. This study viewed all grants active as of October 1998. These amounted to 450 RLFs, from which approximately 12,000 loans were issued, totaling \$600 million. Detailed information was available on 422 RLFs involving 11,600 loans, totalling \$550 million. This is the most comprehensive study ever undertaken of EDA RLF loans. The findings of the analysis show that grantees are setting up loan pools that are delivering loans in nearly every case (98 percent), with the same high percentage of success in retaining or creating jobs. Even more remarkable is that grantees are located in counties whose socioeconomic conditions are considerably worse than those of their states or the U.S. average, as measured by both unemployment and poverty rates.

The median RLF loan amounts to \$56,601. The median total financing package is approximately three times that amount (\$176,319), and includes other public and private moneys. Typical loans are issued for 5 years at a historical interest rate of about 7.5 percent or 1.25 percent below the prime rate. They are given to businesses whose median original employment size is six and which grow to 14 by the addition of a median of eight employees supported by the loan.

The median RLF cost per job (EDA plus the grantee) is \$1,276 and the EDA cost per job amounts to \$936.

The rate of default/write-off on RLF loans is 8.6 percent, and the median loan pool grows at 1.1 percent per year.

The RLF program creates jobs for minorities and women at rates of 17 and 20 percent, respectively. It creates businesses for minorities and women at rates of 2 and 7 percent, respectively.

The RLF program creates jobs in locations where jobs would not normally be created. It does so by providing loans to small-business applicants who would not get them under normal circumstances. Thus, the RLF program has been able to augment the employment base of economically distressed locations. Applicants are given loans in marginal areas to establish or support businesses that hire in those areas. The loans work, businesses survive and prosper, and this is accomplished at relatively low taxpayer investment. This is the essence of fruitful federal economic development.



Research Team and Acknowledgments

Research Team

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Robert W. Burchell, Ph.D.

Dr. Burchell has served as principal or co-principal investigator on more than 60 research contracts in a thirty-year career at Rutgers University. He has conducted studies for the Federal Transit Administration, the U.S. Department of Agriculture, Fannie Mae, the U.S. Department of Housing and Urban Development, and other federal, state, and local agencies. For the last five years, his work has been focused on the areas of economic impacts and the costs of infrastructure development.

William R. Dolphin, M.A.

William R. Dolphin is a computer specialist at Rutgers University, Center for Urban Policy Research. He has been the programmer and database manager at CUPR and its predecessor organization for close to 35 years. Mr. Dolphin has developed and overseen the modeling efforts for numerous impact evaluations of alternative growth patterns conducted by Rutgers

University in New Jersey, South Carolina, Delaware, Michigan, Maryland, Kentucky, and Florida.

Catherine C. Galley, Ph.D.

Catherine C. Galley is a postdoctoral associate at Rutgers University, Center for Urban Policy Research. She specializes in the analysis of cultural resources and their economic contributions both nationally and internationally.

Research Organizations

Rutgers University, Center for Urban Policy Research (CUPR). Edward J. Bloustein School of Planning and Public Policy.

For nearly three decades, the Center for Urban Policy Research has conducted a broad spectrum of urban research. In particular, CUPR has concentrated its efforts in the analysis of infrastructure, public finance, economic impacts and forecasting, land use, environmental policy, and geographic information systems.

CUPR has undertaken economic impact and infrastructure studies for the National Academy of Science, the National Trust for Historic Preservation, the Environmental Protection Agency, the New York Metropolitan Transportation Commission, the states of South Carolina and New Jersey, the Southeast Michigan Council of Governments, and the North Jersey Transportation Planning Authority.

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Regional Director
EDA Seattle Regional Office

Grantee Profiles: Philadelphia Region



[Faint, illegible text or markings]

City of Newport, Rhode Island								
Newport, RI				Project 01-19-01308.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA		04/21/75	
YEAR OF GRANT	1975				Years to Distribute		N/A	
LOAN-TO-GRANT RATIO	3.6:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1975)				9.3		.83		1.09
Per Capita Income (\$) (1975)				5,730		.98		.93
% below Poverty Level (1990)				7.5		.78		.57
% Minority (1990)				6.0		.71		.30
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	246,000		0		0		246,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	39	0/0	26/25	26/14	1.5	889,833	332,898	450,420
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)		Expansion (%)	Retention (%)		Industrial (%)		Commercial (%)	Service (%)
31		31	38		7		50	43
Jobs Created		Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage	
61		72	133		0.9: 1		0.5: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
11		29		2		17		
Cost/Job, EDA (\$)			8,044		Cost/Job, RLF (\$)		8,044	

Taylor County Commission								
Grafton, WV				Project 01-19-01348.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA		09/18/75	
YEAR OF GRANT	1975				Years to Distribute		N/A	
LOAN-TO-GRANT RATIO	1.4:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1975)				15.4		1.81		1.81
Per Capita Income (\$) (1975)				3,936		.79		.64
% below Poverty Level (1990)				22.9		1.16		1.74
% Minority (1990)				0.7		.19		.04
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	2,000,000		0		0		2,000,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	19	0/0	0/0	53/21	0.7	2,736,641	2,337,069	25,345,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)		Expansion (%)	Retention (%)		Industrial (%)		Commercial (%)	Service (%)
84		6	10		80		18	1
Jobs Created		Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage	
511		150	661		0.0: 1		9.3: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
N/A		N/A		0		0		
Cost/Job, EDA (\$)			13,718		Cost/Job, RLF (\$)		13,718	

A1 Technology Trust Fund									
New York, NY					Project 01-19-01474.00				
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 07/23/76			
YEAR OF GRANT	1976					Years to Distribute 22.2 years			
LOAN-TO-GRANT RATIO	1.2:1					Up and Running Yes			
						Produced Jobs Yes			
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1976)	3.9				.93		.46		
Per Capita Income (\$) (1976)	5,068				.76		.82		
% below Poverty Level (1990)	19.8				1.67		1.51		
% Minority (1990)	6.0				1.04		.31		
PROJECT-RELATED GRANT SUPPORT									
Grant (\$)	EDA		Applicant		Other		Total		
	10,000,000		0		13,000,000		23,000,000		
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)	
	218	0 / 0	6 / 22	5 / 3	0.0	26,725,000	22,826,000	0	
PROJECT-RELATED DIRECT ECONOMIC EFFECTS									
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)		Retention (%)		Industrial (%)	Commercial (%)		Service (%)	
N/A	N/A		N/A		N/A	N/A		N/A	
Jobs Created	Jobs Retained		Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
5,227	7,387		12,614		0.0: 1		0.0: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)			
N/A		N/A		N/A		N/A			
Cost/Job, EDA (\$)			3,485			Cost/Job, RLF (\$)			8,016

Northern Maine Development Commission									
Caribou, ME					Project 01-19-01591.00				
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 06/01/85			
YEAR OF GRANT	1983					Years to Distribute 3.5 years			
LOAN-TO-GRANT RATIO	2.4:1					Up and Running Yes			
						Produced Jobs Yes			
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1983)	9.8				1.36		1.29		
Per Capita Income (\$) (1983)	8,487				.92		.75		
% below Poverty Level (1990)	14.5				1.34		1.10		
% Minority (1990)	2.7				1.65		.14		
PROJECT-RELATED GRANT SUPPORT									
Grant (\$)	EDA		Applicant		Other		Total		
	487,500		87,500		217,489		792,489		
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)	
	22	0 / 0	14 / 9	5 / 12	- 0.1	1,931,391	783,834	6,946,126	
PROJECT-RELATED DIRECT ECONOMIC EFFECTS									
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)		Retention (%)		Industrial (%)	Commercial (%)		Service (%)	
14	19		67		78	22		0	
Jobs Created	Jobs Retained		Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
232	391		623		1.8: 1		3.6: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)			
N/A		N/A		N/A		N/A			
Cost/Job, EDA (\$)			1,366			Cost/Job, RLF (\$)			2,221

West Virginia Economic Development Authority								
Charleston, WV				Project 01-19-01815.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA		10/24/78	
YEAR OF GRANT	1978				Years to Distribute		.0 years	
LOAN-TO-GRANT RATIO	3.4:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%)	(1978)			4.0	.53	.52		
Per Capita Income (\$)	(1978)			5,397	.99	.80		
% below Poverty Level	(1990)			20.6	1.05	1.57		
% Minority	(1990)			4.8	1.27	.24		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	4,677,534		0		0		4,677,534	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	47	0 / 0	2 / 3	4 / 4	5.2	15,806,967	9,546,167	20,117,705
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
7	52	41		100	0	0		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
2,409	4,099	6,508		0.3: 1		1.3: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
N/A		N/A		N/A		N/A		
Cost/Job, EDA (\$)			2,027		Cost/Job, RLF (\$)		2,027	

Lake Champlain-Lake George Regional Planning Board								
Lake George, NY				Project 01-19-02546.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA		11/06/85	
YEAR OF GRANT	1983				Years to Distribute		3.9 years	
LOAN-TO-GRANT RATIO	2.7:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%)	(1983)			9.6	1.26	1.26		
Per Capita Income (\$)	(1983)			9,428	.76	.84		
% below Poverty Level	(1990)			9.2	.70	.70		
% Minority	(1990)			1.5	.06	.08		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	740,000		1,300		258,700		1,000,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	44	0 / 0	14 / 10	5 / 6	2.0	2,702,155	1,253,772	9,704,167
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
21	68	11		73	17	10		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
305	165	470		1.8: 1		3.6: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
2		27		0		6		
Cost/Job, EDA (\$)			1,607		Cost/Job, RLF (\$)		2,171	

E.D.I.C. of Lynn				Project 01-19-02560.00				
Lynn, MA								
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 12/20/83			
YEAR OF GRANT	1983				Years to Distribute .5 years			
LOAN-TO-GRANT RATIO	4.0:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1983)	6.2			.97		.82		
Per Capita Income (\$) (1983)	12,301			1.04		1.09		
% below Poverty Level (1990)	9.3			1.04		.71		
% Minority (1990)	7.9			.79		.40		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	300,000		100,000		0		400,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	42	2 / 4	5 / 4	26 / 27	- 2.2	1,590,400	271,769	17,814,242
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)		Retention (%)	Industrial (%)	Commercial (%)		Service (%)	
32	57		10	38	27		35	
Jobs Created	Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage		
684	239		923	0.0: 1		11.2: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
18		29		1		6		
Cost/Job, EDA (\$)			668			Cost/Job, RLF (\$)		891

Connecticut River Development Corporation				Project 01-19-02823.00				
Windsor, VT								
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 03/30/87			
YEAR OF GRANT	1986				Years to Distribute 3.7 years			
LOAN-TO-GRANT RATIO	2.9:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1986)	4.8			.92		.64		
Per Capita Income (\$) (1986)	12,799			1.06		.93		
% below Poverty Level (1990)	9.4			.95		.71		
% Minority (1990)	1.2			.80		.06		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	500,000		234,750		0		734,750	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	51	0 / 0	8 / 10	20 / 16	0.8	2,137,095	802,900	3,583,444
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)		Retention (%)	Industrial (%)	Commercial (%)		Service (%)	
26	56		19	74	16		10	
Jobs Created	Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage		
576	1,108		1,684	3.8: 1		1.7: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
1		28		0		22		
Cost/Job, EDA (\$)			260			Cost/Job, RLF (\$)		383

Eastern Maine Development Corporation								
Bangor, ME					Project 01-19-02845.00			
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 05/29/87		
YEAR OF GRANT	1986					Years to Distribute 7.0 years		
LOAN-TO-GRANT RATIO	2.6:1					Up and Running Yes		
						Produced Jobs Yes		
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.	
Unemployment Rate (%) (1986)	5.6				.92	.75		
Per Capita Income (\$) (1986)	11,104				.95	.80		
% below Poverty Level (1990)	13.0				1.20	.99		
% Minority (1990)	2.1				1.29	.11		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	300,000		6,510		3,308		309,818	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	17	0/0	0/0	0/0	2.2	803,240	385,646	2,397,000
	PROJECT-RELATED DIRECT ECONOMIC EFFECTS							
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)			
Start-Up (%)	Expansion (%)		Retention (%)		Industrial (%)	Commercial (%)		Service (%)
43	32		25		74	11		15
Jobs Created	Jobs Retained		Total Jobs		Public-Sector Leverage		Private-Sector Leverage	
113	67		180		0.3: 1		3.0: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
1		19		0		11		
Cost/Job, EDA (\$)			1,208		Cost/Job, RLF (\$)			1,248

Economic Development Council of Northern Vermont								
St. Albans, VT					Project 01-19-02846.00			
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 10/29/87		
YEAR OF GRANT	1987					Years to Distribute 4.5 years		
LOAN-TO-GRANT RATIO	1.4:1					Up and Running Yes		
						Produced Jobs Yes		
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.	
Unemployment Rate (%) (1987)	7.1				1.48	.99		
Per Capita Income (\$) (1987)	12,313				.95	.84		
% below Poverty Level (1990)	11.1				1.12	.84		
% Minority (1990)	1.0				.70	.05		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	210,000		50,000		0		260,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	7	0/0	0/0	57/53	-6.1	365,000	86,000	1,602,000
	PROJECT-RELATED DIRECT ECONOMIC EFFECTS							
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)			
Start-Up (%)	Expansion (%)		Retention (%)		Industrial (%)	Commercial (%)		Service (%)
33	44		23		100	0		0
Jobs Created	Jobs Retained		Total Jobs		Public-Sector Leverage		Private-Sector Leverage	
152	152		304		0.6: 1		4.4: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		10		0		1		
Cost/Job, EDA (\$)			1,132		Cost/Job, RLF (\$)			1,402

Jobs for Fall River, Incorporated									
Fall River, MA					Project 01-19-02893.00				
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA		10/29/87	
YEAR OF GRANT	1987					Years to Distribute		3.9 years	
LOAN-TO-GRANT RATIO	21.5:1					Up and Running		Yes	
						Produced Jobs		Yes	
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1987)	5.9					1.51		.82	
Per Capita Income (\$) (1987)	13,930					.83		.95	
% below Poverty Level (1990)	9.1					1.02		.70	
% Minority (1990)	4.5					.45		.23	
PROJECT-RELATED GRANT SUPPORT									
Grant (\$)	EDA		Applicant		Other		Total		
	500,000		200,000		0		700,000		
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)	
	41	0/0	7/6	5/4	4.7	15,080,934	1,058,686	20,051,635	
PROJECT-RELATED DIRECT ECONOMIC EFFECTS									
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)		Expansion (%)		Retention (%)	Industrial (%)		Commercial (%)	Service (%)	
25		65		9	66		25	9	
Jobs Created		Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage		
2,342		0		2,342	N/A: 1		1.3: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)	% of Loans to Female-Owned Businesses (%)				
0		18		1	9				
Cost/Job, EDA (\$)				98		Cost/Job, RLF (\$)		137	

Moshannon Valley Economic Development Partnership									
Phillipsburg, PA					Project 01-19-02981.00				
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA		10/05/89	
YEAR OF GRANT	1988					Years to Distribute		2.6 years	
LOAN-TO-GRANT RATIO	3.0:1					Up and Running		Yes	
						Produced Jobs		Yes	
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1988)	6.0					.88		.86	
Per Capita Income (\$) (1988)	12,322					.81		.80	
% below Poverty Level (1990)	18.2					1.63		1.39	
% Minority (1990)	5.8					.50		.29	
PROJECT-RELATED GRANT SUPPORT									
Grant (\$)	EDA		Applicant		Other		Total		
	200,000		200,000		0		400,000		
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)	
	22	0/0	0/0	0/0	21.9	1,181,925	1,181,925	3,882,625	
PROJECT-RELATED DIRECT ECONOMIC EFFECTS									
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)		Expansion (%)		Retention (%)	Industrial (%)		Commercial (%)	Service (%)	
18		78		4	94		6	0	
Jobs Created		Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage		
181		10		191	0.6: 1		3.3: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)	% of Loans to Female-Owned Businesses (%)				
0		1		N/A	N/A				
Cost/Job, EDA (\$)				-1,296		Cost/Job, RLF (\$)		-2,593	

Rural Development Center								
Princess Anne, MD					Project 01-19-03134.00			
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 10/24/91		
YEAR OF GRANT	1991					Years to Distribute N/A		
LOAN-TO-GRANT RATIO	1.5:1					Up and Running Yes		
						Produced Jobs Yes		
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.	
Unemployment Rate (%) (1991)	8.3				2.24	1.57		
Per Capita Income (\$) (1991)	12,127				.55	.65		
% below Poverty Level (1990)	16.1				1.94	1.22		
% Minority (1990)	39.4				1.36	2.01		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	500,000		370,000		0		870,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	16	0/0	6/1	31/43	1.9	1,277,000	987,315	8,629,077
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)			
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
71	24	6		89	0	6		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
235	0	235		0.0: 1		6.8: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
7		9		16		9		
Cost/Job, EDA (\$)			680		Cost/Job, RLF (\$)			1,183

Androscoggin Valley Council of Governments								
Auburn, ME					Project 01-19-03192.00			
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 03/12/92		
YEAR OF GRANT	1991					Years to Distribute 4.0 years		
LOAN-TO-GRANT RATIO	1.6:1					Up and Running Yes		
						Produced Jobs Yes		
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.	
Unemployment Rate (%) (1991)	5.1				1.24	.96		
Per Capita Income (\$) (1991)	16,220				.96	.87		
% below Poverty Level (1990)	11.4				1.05	.87		
% Minority (1990)	1.3				.81	.07		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	650,000		200,000		0		850,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	23	9/16	22/10	9/6	1.1	1,398,386	909,421	10,555,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)			
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
13	58	29		69	12	19		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
284	358	642		0.0: 1		7.6: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
1		4		0		12		
Cost/Job, EDA (\$)			310		Cost/Job, RLF (\$)			405

E.D.I.C. of Lynn								
Lynn, MA				Project 01-19-03197.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 10/24/91			
YEAR OF GRANT	1991				Years to Distribute 2.8 years			
LOAN-TO-GRANT RATIO	1.9:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1991)	4.3			1.08		.81		
Per Capita Income (\$) (1991)	22,252			.99		1.20		
% below Poverty Level (1990)	9.3			1.04		.71		
% Minority (1990)	7.9			.79		.40		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	800,000		266,677		0		1,066,667	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	54	4 / 4	7 / 5	6 / 4	1.0	2,028,800	1,139,479	9,899,300
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)		Retention (%)	Industrial (%)		Commercial (%)		Service (%)
20	42		38	12		36		53
Jobs Created	Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage		
330	762		1,092	0.0: 1		4.9: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
14		19		5		28		
Cost/Job, EDA (\$)			283			Cost/Job, RLF (\$)		
						377		

Southern Tier West Regional Planning and Development Board								
Salamanca, NY				Project 01-19-03250.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 06/29/93			
YEAR OF GRANT	1992				Years to Distribute N/A			
LOAN-TO-GRANT RATIO	1.0:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1992)	6.5			1.23		1.16		
Per Capita Income (\$) (1992)	13,137			.56		.67		
% below Poverty Level (1990)	14.8			1.14		1.13		
% Minority (1990)	1.5			.06		.08		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	1,400,000		600,000		0		2,000,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	1	0 / 0	0 / 0	0 / 0	0.1	2,000,000	2,010,527	1,500,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)		Retention (%)	Industrial (%)		Commercial (%)		Service (%)
N/A	N/A		N/A	N/A		N/A		N/A
Jobs Created	Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage		
N/A	N/A		193	1.5: 1		0.8: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
N/A		N/A		0		0		
Cost/Job, EDA (\$)			2,350			Cost/Job, RLF (\$)		
						3,357		

Franklin County Community Development Corporation								
Greenfield, MA					Project 01-19-03251.00			
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 02/17/93		
YEAR OF GRANT	1992					Years to Distribute 3.3 years		
LOAN-TO-GRANT RATIO	1.4:1					Up and Running Yes		
						Produced Jobs Yes		
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.	
Unemployment Rate (%) (1992)	4.9				.82	.88		
Per Capita Income (\$) (1992)	18,551				.80	.95		
% below Poverty Level (1990)	9.6				1.08	.73		
% Minority (1990)	2.0				.20	.10		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	560,000		240,000		0		800,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	25	0/0	0/0	0/0	- 1.6	1,111,248	730,509	5,153,322
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)			
Start-Up (%)		Expansion (%)		Retention (%)	Industrial (%)		Commercial (%)	Service (%)
N/A		N/A		N/A	N/A		N/A	N/A
Jobs Created		Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage	
N/A		N/A		353	1.4: 1		4.6: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers			% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)	
0		0			0		0	
Cost/Job, EDA (\$)			660		Cost/Job, RLF (\$)			943

Greater Nashua New Hampshire Center for Economic Development								
Nashua, NH					Project 01-19-03322.00			
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA 11/29/95		
YEAR OF GRANT	1994					Years to Distribute Too recent		
LOAN-TO-GRANT RATIO	0.1:1					Up and Running Yes		
						Produced Jobs Yes		
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.	
Unemployment Rate (%) (1994)	7.6				1.01	1.01		
Per Capita Income (\$) (1994)	23,251				1.05	1.10		
% below Poverty Level (1990)	5.9				.91	.45		
% Minority (1990)	2.8				1.43	.14		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	500,000		0		167,000		667,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	2	0/0	0/0	50/4	0.9	100,000	684,789	190,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)			
Start-Up (%)		Expansion (%)		Retention (%)	Industrial (%)		Commercial (%)	Service (%)
100		0		0	100		0	0
Jobs Created		Jobs Retained		Total Jobs	Public-Sector Leverage		Private-Sector Leverage	
5		0		5	0.0: 1		1.9: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers			% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)	
N/A		N/A			0		0	
Cost/Job, EDA (\$)			21,144		Cost/Job, RLF (\$)			28,206

Southern Alleghenies Planning & Development Commission								
Altoona, PA				Project 01-19-58002.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 05/05/98			
YEAR OF GRANT	1997				Years to Distribute Too recent			
LOAN-TO-GRANT RATIO	0.7:1				Up and Running Too recent			
					Produced Jobs Too recent			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1997)	6.4			1.08		1.19		
Per Capita Income (\$) (1997)	19,073			.80		.81		
% below Poverty Level (1990)	14.1			1.27		1.08		
% Minority (1990)	1.3			.11		.07		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	100,000		50,000		0		150,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	1	0/0	0/0	0/0	N/A	100,000	151,960	115,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)		Service (%)	
0	100	0		100	0		0	
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
N/A	N/A	17		0.0: 1		1.2: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		0		0		0		
Cost/Job, EDA (\$)			239			Cost/Job, RLF (\$)		
						359		

Rhode Island Port Authority and Economic Development Corporation								
Providence, RI				Project 01-19-63002.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 06/01/96			
YEAR OF GRANT	1996				Years to Distribute Too recent			
LOAN-TO-GRANT RATIO	1.1:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1996)	5.2			.73		.85		
Per Capita Income (\$) (1996)	23,735			1.04		1.05		
% below Poverty Level (1990)	6.8			.71		.52		
% Minority (1990)	3.3			.40		.17		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	633,000		633,000		250,000		1,516,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	139	0/0	13/19	15/5	-1.6	1,741,000	1,450,354	0
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)		Service (%)	
6	15	79		0	100		0	
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
0	197	197		0.0: 1		0.0: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
N/A		N/A		0		9		
Cost/Job, EDA (\$)			685			Cost/Job, RLF (\$)		
						1,641		

Rhode Island Port Authority and Economic Development Corporation								
Providence, RI				Project 01-19-63002.02				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA		12/02/94	
YEAR OF GRANT	1994				Years to Distribute		1.4 years	
LOAN-TO-GRANT RATIO	1.5:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	9.5			1.06		1.27		
Per Capita Income (\$) (1994)	20,588			.97		.98		
% below Poverty Level (1990)	12.0			1.24		.91		
% Minority (1990)	12.1			1.43		.61		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	8,984,000		0		0		8,984,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	160	7 /N/A	14 /N/A	0 /N/A	2.7	13,595,193	9,894,674	33,639,360
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
17	78	5		22	58			21
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
1,713	3,639	5,352		0.0: 1		2.5: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
N/A		N/A		3		9		
Cost/Job, EDA (\$)			317			Cost/Job, RLF (\$)		
						317		

New York State Department of Economic Development								
Albany, NY				Project 01-19-63003.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA		03/24/95	
YEAR OF GRANT	1994				Years to Distribute		2.8 years	
LOAN-TO-GRANT RATIO	1.1:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	7.1			.83		.95		
Per Capita Income (\$) (1994)	33,488			1.33		1.59		
% below Poverty Level (1990)	3.7			.29		.28		
% Minority (1990)	13.2			.52		.67		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	500,000		250,000		0		750,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	16	6 /13	0 /0	0 /0	0.6	861,255	765,406	213,864
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
12	88	0		0	0			0
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
0	109	109		0.0: 1		0.3: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		0		0		0		
Cost/Job, EDA (\$)			998			Cost/Job, RLF (\$)		
						1,497		

Cape Ann Commercial Fishermen's Loan Fund, Incorporated								
Gloucester, MA				Project 01-19-63004.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 09/07/94			
YEAR OF GRANT	1994				Years to Distribute 3.3 years			
LOAN-TO-GRANT RATIO	1.4:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	9.0			1.05		1.20		
Per Capita Income (\$) (1994)	24,408			.98		1.16		
% below Poverty Level (1990)	9.3			1.04		.71		
% Minority (1990)	7.9			.79		.40		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	250,000		0		0		250,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	23	4/3	4/3	0/0	3.8	355,917	288,276	0
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)		Expansion (%)	Retention (%)		Industrial (%)		Commercial (%)	Service (%)
0		0	100		0		100	0
Jobs Created		Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage	
2		110	113		0.0: 1		0.0: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		7		0		32		
Cost/Job, EDA (\$)			303		Cost/Job, RLF (\$)			303

Southeastern Connecticut Enterprise Region								
Groton, CT				Project 01-19-63005.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 08/11/94			
YEAR OF GRANT	1994				Years to Distribute 3.4 years			
LOAN-TO-GRANT RATIO	1.2:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	7.2			.95		.96		
Per Capita Income (\$) (1994)	23,468			.82		1.11		
% below Poverty Level (1990)	6.4			.93		.49		
% Minority (1990)	8.2			.64		.42		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	500,000		334		166,666		667,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	11	0/0	0/0	0/0	0.6	785,000	683,289	3,950,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)		Expansion (%)	Retention (%)		Industrial (%)		Commercial (%)	Service (%)
25		51	24		11		87	3
Jobs Created		Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage	
65		157	222		0.5: 1		5.0: 1	
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		3		0		8		
Cost/Job, EDA (\$)			599		Cost/Job, RLF (\$)			799

New Bedford Economic Development Council, Incorporated									
New Bedford, MA					Project 01-19-63006.00				
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA		06/01/94	
YEAR OF GRANT	1994					Years to Distribute		N/A	
LOAN-TO-GRANT RATIO	1.0:1					Up and Running		Yes	
						Produced Jobs		Yes	
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	11.7					1.36		1.56	
Per Capita Income (\$) (1994)	19,543					.79		.93	
% below Poverty Level (1990)	9.1					1.02		.70	
% Minority (1990)	4.5					.45		.23	
PROJECT-RELATED GRANT SUPPORT									
Grant (\$)	EDA			Applicant		Other		Total	
	2,460,525			0		842,000		3,302,525	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)	
	45	0/0	0/0	2/2	-0.2	3,154,500	3,276,378	3,000,000	
PROJECT-RELATED DIRECT ECONOMIC EFFECTS									
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)			Industrial (%)	Commercial (%)	Service (%)		
7	11	82			80	20	0		
Jobs Created	Jobs Retained	Total Jobs			Public-Sector Leverage		Private-Sector Leverage		
40	200	240			0.0: 1		1.0: 1		
% of Jobs to Minority Workers	% of Jobs to Female Workers			% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)			
N/A	N/A			3		3			
Cost/Job, EDA (\$)				3,057		Cost/Job, RLF (\$)		4,103	

New Hampshire Port Authority									
Portsmouth, NH					Project 01-19-63007.00				
TYPE OF GRANT	SSED/Other				SCHEDULE	First Distribution from EDA		03/07/96	
YEAR OF GRANT	1994					Years to Distribute		Too recent	
LOAN-TO-GRANT RATIO	0.6:1					Up and Running		Yes	
						Produced Jobs		Yes	
COMMUNITY DISTRESS					Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	8.6					1.15		1.15	
Per Capita Income (\$) (1994)	23,977					1.08		1.14	
% below Poverty Level (1990)	4.4					.69		.34	
% Minority (1990)	2.2					1.11		.11	
PROJECT-RELATED GRANT SUPPORT									
Grant (\$)	EDA			Applicant		Other		Total	
	810,000			0		270,000		1,080,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)	
	25	0/0	0/0	0/0	1.6	685,490	1,121,983	228,497	
PROJECT-RELATED DIRECT ECONOMIC EFFECTS									
Percentage Distribution of Loans (by Type of Activity)					Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)			Industrial (%)	Commercial (%)	Service (%)		
11	40	49			83	17	0		
Jobs Created	Jobs Retained	Total Jobs			Public-Sector Leverage		Private-Sector Leverage		
28	68	96			0.0: 1		0.3: 1		
% of Jobs to Minority Workers	% of Jobs to Female Workers			% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)			
0	0			0		0			
Cost/Job, EDA (\$)				1,106		Cost/Job, RLF (\$)		1,474	

Eastern Maine Development Corporation								
Augusta, ME				Project 01-19-63010.00				
TYPE OF GRANT	SSED/Other			SCHEDULE	First Distribution from EDA 01/25/96			
YEAR OF GRANT	1994				Years to Distribute Too recent			
LOAN-TO-GRANT RATIO	1.3:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1994)	7.0			.97		.93		
Per Capita Income (\$) (1994)	19,226			1.05		.91		
% below Poverty Level (1990)	10.2			.95		.78		
% Minority (1990)	1.3			.82		.07		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	583,333		194,466		0		777,799	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	25	0 / 0	12 / 34	0 / 0	4.0	993,030	860,606	1,974,290
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
26	53	21		0	97	3		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
65	145	210		0.0: 1		2.0: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
11		23		0		0		
Cost/Job, EDA (\$)			176		Cost/Job, RLF (\$)			235

Mohawk Valley Economic Development District, Incorporated								
Mohawk, NY				Project 01-39-01830.02				
TYPE OF GRANT	LTED			SCHEDULE	First Distribution from EDA 03/08/85			
YEAR OF GRANT	1985				Years to Distribute N/A			
LOAN-TO-GRANT RATIO	3.5:1				Up and Running Yes			
					Produced Jobs Yes			
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1985)	10.5			1.22		1.09		
Per Capita Income (\$) (1985)	9,862			.70		.79		
% below Poverty Level (1990)	13.1			1.01		1.00		
% Minority (1990)	0.7			.03		.04		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	1,520,000		565,000		0		2,085,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	160	0 / 0	5 / 9	23 / 13	0.4	7,252,588	2,194,624	54,598,633
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
35	54	11		68	20	12		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
2,962	1,676	4,638		0.0: 1		7.5: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
N/A		N/A		2		7		
Cost/Job, EDA (\$)			229		Cost/Job, RLF (\$)			314

Buffalo and Erie County Regional Development Corporation								
Buffalo, NY				Project 01-39-01904.00				
TYPE OF GRANT	LTED			SCHEDULE	First Distribution from EDA 06/01/79			
YEAR OF GRANT	1978				Years to Distribute		4.1 years	
LOAN-TO-GRANT RATIO	5.1:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1978)	10.8			1.05		1.40		
Per Capita Income (\$) (1978)	6,788			.91		1.00		
% below Poverty Level (1990)	12.2			.94		.93		
% Minority (1990)	14.1			.55		.72		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	7,000,000		0		4,116,000		11,116,000	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	351	3 / 2	7 / 7	13 / 14	4.5	56,324,000	21,013,900	550,598,000
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
19	53	29		89	0	11		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
4,600	2,086	6,686		N/A: 1		9.8: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		0		5		2		
Cost/Job, EDA (\$)			3,110		Cost/Job, RLF (\$)			4,938

Northern Maine Development Commission								
Caribou, ME				Project 01-39-01945.00				
TYPE OF GRANT	LTED			SCHEDULE	First Distribution from EDA 06/01/80			
YEAR OF GRANT	1978				Years to Distribute		2.7 years	
LOAN-TO-GRANT RATIO	3.5:1				Up and Running		Yes	
					Produced Jobs		Yes	
COMMUNITY DISTRESS				Ratio to State		Ratio to U.S.		
Unemployment Rate (%) (1978)	12.4			1.39		1.61		
Per Capita Income (\$) (1978)	5,038			.88		.75		
% below Poverty Level (1990)	14.5			1.34		1.10		
% Minority (1990)	2.7			1.65		.14		
PROJECT-RELATED GRANT SUPPORT								
Grant (\$)	EDA		Applicant		Other		Total	
	1,250,000		47,500		205,370		1,502,870	
Financial Statistics	# of Loans	% of Loans Delinquent (# and \$)	% of Loans in Default (# and \$)	% of Loans Written Off (# and \$)	Average % Growth of Capital Base	Total Amount of Loans (\$)	RLF Capital Base (\$)	Private-Sector Funds (\$)
	77	0 / 0	5 / 9	12 / 23	- 0.8	5,329,398	1,289,820	24,248,990
PROJECT-RELATED DIRECT ECONOMIC EFFECTS								
Percentage Distribution of Loans (by Type of Activity)				Percentage Distribution of Loans (by Type of Job)				
Start-Up (%)	Expansion (%)	Retention (%)		Industrial (%)	Commercial (%)	Service (%)		
41	27	32		33	52	16		
Jobs Created	Jobs Retained	Total Jobs		Public-Sector Leverage		Private-Sector Leverage		
887	615	1,502		1.7: 1		4.6: 1		
% of Jobs to Minority Workers		% of Jobs to Female Workers		% of Loans to Minority-Owned Businesses (%)		% of Loans to Female-Owned Businesses (%)		
0		6		3		1		
Cost/Job, EDA (\$)			3,331		Cost/Job, RLF (\$)			4,005