

Non-Tech Investment on the Silicon Prairie

Economic Growth Business Incubator in Austin, TX

Situation

Austin, Texas is known as the Silicon Prairie for its concentration of tech companies and their corresponding innovations. Money pours into the region to fund the ‘next big thing.’ Contrast this with the lack of grants for lower-income entrepreneurs and the nonprofits that help them. The Economic Business Growth Incubator saw just such a disparity when it was re-launched in 2011 to support underserved and minority populations who were starting non-technological businesses.

“More than 60 percent of our clients earn \$35,000 a year or less,” said Al Lopez, EGBI executive director. “They are individuals and families trying to become self-sufficient.” As the director of a nonprofit, Mr. Lopez knows, too, the cash-flow problems often faced by those who serve others. A majority of available grant money comes with strict regulations, which prevent it from being used for a nonprofit’s administrative and operational expenses.

Solution

Lueretha Slack, North Texas CRA market manager for Comerica Bank, said she learned of the organization a few years ago and was impressed by the services they offered their clients. “They provide several weeks of classes related to how to get everything in order to start a business,” she said. “Topics like business preparedness and managing finances are part of their curriculum. It is great to see what they are doing for underserved communities in Austin.” Ms. Slack nominated them for a Partnership Grant Program award, available through the Federal Home Loan Bank of Dallas (FHLB Dallas) and its member institution, Comerica Bank.



Results

EGBI received a \$20,000 PGP award from Comerica and FHLB Dallas. The funds will be used for grant-writing services and operational expenses. “FHLB Dallas is pleased to support the efforts of Comerica Bank and EGBI to help entrepreneurs from every walk of life,” said Greg Hettrick, director of Community Investment at FHLB Dallas. “EGBI provides life-changing educational opportunities. This helps individuals and entire communities to succeed.”

Through the PGP, FHLB Dallas awards grants through its member institutions, to provide funding for the operational needs of community-based organizations involved in affordable housing and economic development. FHLB Dallas matches the cash contribution of a member financial institution to a community-based organization of \$500 up to \$5,000 at a 3:1 ratio. Through its members, FHLB Dallas awarded \$225,000 in partnership grants in 2014.

Re-launched in 2011, EGBI supports the underserved.

Community Benefit

\$20,000 FHLB Dallas Partnership Grant Program award

Beneficiary

Economic Growth Business Incubator in Austin, TX

Participating Member

Comerica Bank

To learn more, visit fhlb.com or contact:

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