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Green Riba

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**A storefront dedicated to interest-free microfinance
loans for West Dallas entrepreneurs**



A History of Dallas

- Gentrification, uneven development
- A recent interest in West Dallas:
 - "Inadequate and decaying infrastructure and poorly performing schools competed with [Calatrava] bridges and waterfront fantasies for vanishing public and private funds." - Harvey Graff, *The Dallas Myth*

West Dallas Statistics

- 67.1% of the adult population never completed high school.
- Per capita income is only \$9,813.
- 60% of the population is uninsured.
- Only 2% of residents are four-year college graduates.

A Lack of Credit and Financial Capital

- A majority of the area is unbanked
- Usurious moneylenders and payday loans
- Small loans (less than \$5000) can range from 20 to 80 percent interest in the United States

The Failure of Traditional Institutions

- “Today, if you look at financial systems around the globe, more than half the population of the world - out of six billion people, more than three billion - do not qualify to take out a loan from a bank. This is a shame.” – Dr. Muhammad Yunus
- 9 million U.S. households untouched by mainstream banks and another 21 million using the likes of payday loans and pawnshops for financing (TIME, 2010)

Why is small loan access important?

- Rejuvenate kiosk economies and small businesses
- Allows for self-employment instead of temporary or unskilled employment
- Results in financial independence and empowerment

What is microfinance?

- Small loans (usually less than \$5,000) that traditional banks do not give out
- Provision of financial services to micro-entrepreneurs and small businesses
- Relationship based banking – no collateral or credit history needed

Can microfinance work in the US?

- Small-scale businesses exist
- A proven demand for goods
- The myth of culture

What We Don't Believe

- We don't believe in taking home profits or dividends.
- We don't believe in any type of interest.
- We don't believe a credit report should be the deciding factor.

What We Believe

- High interest rates cripple entrepreneurship and small business growth
- Microfinance is possible in almost any context
- A unfilled financial area exists in West Dallas

A Good Returns Model



Progress

- LLC incorporation and tax protection
- Partnership with PlanFund — a Texas leader in microfinance
- Relationships with West Dallas non-profits
- Support from the West Dallas Chamber of Commerce
- Advisory role established with Center for Community Engagement
- Initial sales

Hurdles in Sales Model

- Established relationships between SMU organizations and vendors
- Sales interest and product selection

Our Solution

- E-commerce platform
- Overcome geographical limitation
- Convenient shopping
- Niche product
- Store hours

Product

- Identify niche products
- Developmental Phase:
 - SMU specific products
 - Capitalize on on-going SMU events and culture

Potential and Growth

- Case Study: Soap Hope
- Slow initial phase, exponential growth

Our First Borrower

- Heather Ezell — sculpting workshops
- Niche market with no competitors
- Established artisan in West Dallas
- Loan amount of \$2000 at 0% interest



Plans for the Future

- E-commerce storefront
- Continue strengthening West Dallas partnerships
- Small loans

“Many West Dallasites I spoke to thought the best way to save the uniqueness of their part of the city was to turn their ideas into reality. But that’s where the lack of access to financial capital comes in. Risk-averse banks are afraid to give money to ‘unproven’ entrepreneurs with limited or bad credit histories and fewer assets.

Banks, especially after the housing crisis, use very specific criteria to give out loans.” – Rahfin Faruk, *The*

Dallas Morning News

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