

Back to Small Business

By Francis Janes, VP Deposit Services Relationship Officer



These days, all eyes are on small businesses, and for good reason. The U.S. Treasury Department reports that small businesses put approximately one-half of all Americans to work and create nearly 60 percent of all new jobs.

Small businesses depend on community banks for growth. Although community banks (less than \$10 billion in assets) control only 22 percent of all bank assets, they account for 54 percent of all small business lending. While controlling 57 percent of all bank assets, the largest 20 banks devote only 18 percent of their commercial loan portfolios to small businesses.

You may wonder why community banks do so much more small business lending than their larger competitors.

One reason is that big banks rely on computer models to make decisions. Because local market conditions and the circumstances surrounding each borrower are so varied, this standardized approach does not work well when it comes to understanding the risks and opportunities with small businesses.

By drawing on qualitative information – getting to know the customer, learning about their business, and understanding the local market – community banks can better assess risk and successfully make loans to a wider group of small businesses.

I decided to go into banking after personally experiencing how community banks can help small businesses. I used to own a restaurant in the Seattle area that specialized in local, seasonal and organic ingredients. To help launch my business, I received a Small Business Administration (SBA) 7(a) loan for \$120,000 from a community bank. This start-up capital helped me to open on time, and eventually provide work for over twenty full and part-time employees.

One PacificCoast Bank has similarly helped entrepreneurs realize their dreams. Farm Power Northwest, a Washington-based green power generator, is a great example.

Despite its relatively new business model, Jae Easterbrooms, VP Relationship Manager in our Seattle office, quickly saw how this business could positively impact economically distressed rural communities.

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Farm Power builds and operates anaerobic digesters that convert the waste product of dairies into electricity, which is purchased by regional power companies for distribution. In addition to creating jobs, the digester process converts a costly waste product – manure – into two useable products: a field-ready fertilizer and bedding material for the cows. This reduces input costs for the farms and increases their economic competitiveness while mediating negative environmental impacts to clean water and air. Jae worked diligently to understand the risks and rewards, and made a compelling case for the customer to obtain bank funding.



With the bank's continued financial support, Farm Power will be launching its fourth plant in 2012.

As a mission-driven triple-bottom-line bank, One PacificCoast Bank has a deep appreciation for the critical role small businesses play in our communities as well as our economic recovery. To connect with a Relationship Manager in your community about accessing capital for your small business, please contact us at 510.550.8431 or email cwick@opcb.com.

Welcome to beneficial banking™



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One PacificCoast Bank employees volunteered in many places on January 16's MLK Day of Service. Jeremy Johnson at Thrive in Seattle (left), Cara Wick (not pictured) at Crissy Field in San Francisco (center) and Kat Taylor (not pictured) at the African American Arts & Culture Center in San Francisco (above).

OPCB Events of **NOTE:**

February 1-4

EcoFarm Conference - Pacific Grove, CA
<http://www.eco-farm.org/>

February 21-22

Northwest Hydroelectric Conference - Portland
<http://www.nwhydro.org/>

February 26

Progressive Opportunities Conference - Oakland
<http://progressiveopportunities2012.com/>

February 27-28

CDFI Fund Training Session - Los Angeles
Financing Healthy Food Options
<http://www.cdfifund.gov/>

March 25

Community Reinvestment Conference - Seattle
<http://www.communityinvestmentnetwork.org/>

March 29

ICA Business Growth Strategy Series - Oakland
<http://www.the8factors.com/>

>> More at our website:
<http://onepacificcoastbank.com/events.aspx>

Customer Spotlight

Forbes Magazine named **Playworks'** CEO & Founder **Jill Violet** one of the 30 most influential social entrepreneurs in the USA.

Congrats Jill!

>> Learn more at playworks.org



Want to comment on this newsletter?

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