



# Office of Performance Management Oversight (OPMO)

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**Massachusetts Growth Capital Corporation**  
FY2020 Report



# Agency Mission

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- **Mission:** Empowering Small Business through financing and managerial assistance to create economic opportunities for all. MGCC provides and supports inclusive business resources to organizations across the Commonwealth.
- **Contribution to Partnerships for Growth:** MGCC's goals are focused on the "Support Business Competitiveness" pillar. This is done through the various programs and products MGCC offers the small businesses of Massachusetts.



# Agency Goals

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- **Agency Goal 1:** Increase the overall total loans closed to \$9,750,000.00 annually to support sustainability and growth in the Commonwealth's businesses.
- **Agency Target for Goal 1:** 30 loans for \$9,750,000.00 and an average of 18 jobs retained per company
- **Results of Goal 1:** 11 loans for \$5,620,000, 346 loans for \$20,258,885, Total Loans: 357 loans for \$25,878,883,546 jobs retained total
- **Agency Goal 2:** Sustain and increase the number of loans to businesses in Gateway Cities and underserved communities to 25%.
- **Agency Target for Goal 2:** 7 loans for \$2,400,000.00, Average of 18 jobs retained per company
- **Results of Goal 2:** 4 loans for \$2,525,000.00, Small Business Recovery Loan Fund: 46 loans for an average of \$58,546 per loan, for a total of \$2,693,112 loans, Total: 50 loans for 5,218,112, Lending: An average of 53 jobs were retained per company, Small Business Recovery Loan Fund: An average of 8 jobs were retained per company



# Agency Goals

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- **Agency Goal 3:** Sustain and increase the number of loans to minority-owned businesses to 20%.
- **Agency Target for Goal 3:** 6 loans for \$1,950,000.00, Average of 18 jobs retained per company
- **Results of Goal 3:** Lending: 2 loans for \$1,750,000.00, Small Business Recovery Loan Fund: 37 loans for \$2,166,202, Total: 39 loans for \$3,916,202, Lending: An average of 76 jobs were retained per company, Small Business Recovery Loan Fund: An average of 8 jobs were retained per company



# Agency Goals

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- **Agency Goal 4:** Sustain and increase the number of loans to women-owned businesses to 20%.
- **Agency Target for Goal 4:** 1) 6 loans for \$1,950,000.00 2) Average of 18 jobs retained per company
- **Results of Goal 4:** Lending: 1 loan for \$375,000.00, Small Business Recovery Loan Fund: 99 loans for \$5,796,054, Total: 100 loans for \$6,171,054, Lending: An average of 58 jobs were retained per company, Small Business Recovery Loan Fund: An average of 8 jobs were retained per company
- **Agency Goal 5:** Increase outreach calling goals per loan officer to 20 per month, including at least 5 to be joint calls with state partners.
- **Agency Target for Goal 5:** 750
- **Results of Goal 5:** A total of 408 outreach calls and meetings were made. (Since March 16, 2020 MGCC has been unable to participate in face-to-face outreach.)



# Small Business Technical Assistance Grant Program

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- **Program Description:** The MGCC Small Business Technical Assistance Grant Program builds operational capacity and skills of organizations that are providing technical assistance, education, and access to capital to small businesses, including many owned by women, minorities and veterans. The grant program strengthens ongoing business-development activities in low-and moderate-income and underserved communities, and in Gateway Cities across the state.

This state-funded Small Business Technical Assistance Grant Program leverages community and economic development non-profits to help small businesses create and preserve jobs. The grants are awarded to community development corporations, chambers of commerce, and similar non-profits. They use the funds to provide crucial services, such as technical assistance, training in business skills, and access to financing, to their local businesses. In addition, we offer mini-grants, through our grantees, to small business owners with needs for professional, technical, and operational services.

- **Program Budget:** \$3,000,000.00
- **Partnerships for Growth Goal Alignment:** Business
- **COVID – 19 Response:** N/A



# Small Business Technical Assistance Grant Program

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- **Fiscal Year Goal 1:** Support small businesses through the Small Business Technical Assistance Grant Program
- **Fiscal Year Target 1:** 1,500 businesses served, 2,000 jobs retained
- **Results of Goal 1:** 4,041 business served, Jobs preserved: 2,907, Jobs created: 1,429, Total jobs positively impacted: 4,336



# Lending

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- **Program Description:** MGCC is a small business loan fund providing working capital to small businesses, inclusive of those owned by women, minorities, immigrants and veterans, to create and maintain jobs in the Commonwealth. MGCC lends to existing businesses in Massachusetts that are unable to access capital from traditional lenders or are unable to get additional capital from an existing lender. Consequently, each loan is customized to solve a specific financing problem using term loans, lines of credit, partial and limited guarantees, contract financing, managerial assistance or a combination of these tools. MGCC provides loan amounts from \$5,000 to \$1,000,000 directly to companies or in cooperation with other funding providers. MGCC lends to most industries including nonprofits, but does not work with start ups, real estate businesses or illegal businesses.
- **Program Budget:** \$3,000,000.00
- **Partnerships for Growth Goal Alignment:** Business
- **COVID – 19 Response:** N/A





# Lending

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- **Fiscal Year Goal 1:** Increase the overall total loans closed to \$9,750,000.00 annually to support sustainability and growth in the Commonwealth's businesses.
- **Fiscal Year Target 1:** 30 loans for \$9,750,000.00 and an average of 18 jobs retained per company
- **Results of Goal 1:** Loans: 11 loans for \$5,620,000, Small Business Recovery Loan Fund: 346 loans for \$20,258,885, Total Loans: 357 loans for \$25,878,885, 3,546 jobs retained total
- **Fiscal Year Goal 2:** Sustain and increase the number of loans to: Businesses in Gateway Cities and underserved communities to 25%, Minority-owned businesses to 20%, and Women-owned businesses to 20%.
- **Fiscal Year Target 2: Gateway Cities and underserved communities:** 7 loans for \$2,400,000.00, Minority-owned businesses: 6 loans for \$1,950,000.00, Women-owned businesses: 6 loans for \$1,950,000.00
- **Results of Goal 2:** Gateway Cities: 36.4% of lending, 13.3% of the Small Business Recovery Loan Fund, 50 loans for 5,218,112, Women-owned Businesses: 9.1% of lending, 28.6% of the Small Business Recovery Loan Fund, 100 loans for \$6,171,054, Minority-owned businesses: 18% of lending, 10.7% of the Small Business Recovery Loan Fund, 39 loans for \$3,916,202



# 2020 Small Business Recovery Loan Fund

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- **Program Description:** MGCC administered a loan fund of \$20 million that provided financial relief to Massachusetts businesses that have been affected by COVID-19. The program was open to businesses with under 50 full- and part-time employees that provided loan amounts to up \$75,000.
- **Program Budget:** \$20,000,000.00
- **Partnerships for Growth Goal Alignment:** This program's goals align with the "Support Business Competitive" pillar of the Partnerships for Growth Plan.
- **COVID – 19 Response:** MGCC administered a \$20,000,000 Small Business Recovery Loan Fund that produced 346 loans to businesses in need of COVID-19 assistance.
- **Results:** 2,208 total number of applications were received in approximately \$124 million in requests, 346 loans were made for \$20,277,885, Average Loan Size = \$56,000, Total FTE Jobs Positively Impacted = Approximately 2,768, Women-owned Businesses: 28% or 97 loans for \$5,677,807, Minority-owned businesses: 11% or 38 loans for \$2,230,567