1K Churches Bible Study and Microloan Program

Stories and Testimonials
1K Churches Bible Study and Microloan Program

Criterion’s 1K Churches Bible Study and Microloan Program was launched in 2012 at the Clinton Global Initiative as a campaign to mobilize 1,000 churches to invest in community businesses with an average microloan of $5,000. Since then, Criterion has facilitated dialogue between business, churches and microlenders; built an awareness campaign to demonstrate new ways churches can support microbusiness models in their communities; and worked with financial intermediaries, such as microlenders, to design models that equip them to work with churches on microlending.

In 2017, 1K Churches transitioned from a campaign to an ongoing program with Criterion providing regular support and a full set of resources.

- **Monthly Newsletter.** Beginning in April 2017, Criterion published a monthly newsletter to about 500 people who have expressed interest in 1K Churches. Newsletters included stories from five congregations about their discoveries from the Bible study and their experience in implementing their microloans. The congregations were located in Baltimore, Maryland; Austin, Texas; East Haddam, Connecticut; Naples, Florida; and Napa, California.

- **Updated Materials.** Loan implementation guides have been completed for direct loans to individuals, loans crowd-funded through Kiva, and peer lending loans. Two more versions of the implementation guides are in various stages of development. We recently updated and re-formatted all the basic suite of materials including an introduction, versions of the Bible study for the facilitator and the participants, a guide for getting started, and a book of prayers. All of these materials are available to be downloaded without cost on the Criterion website ([https://criterioninstitute.org/our-work/1kguides/bible-study-resources](https://criterioninstitute.org/our-work/1kguides/bible-study-resources)).

Included here is a selection of stories from our monthly newsletter that highlights the transformational work occurring in congregations that have been involved with 1K Churches. We hope that you will find inspiration from these stories to learn more about 1K Churches, Criterion Institute, and the incredible work that these partnerships have granted us.

For more information or to learn how to bring 1K Churches to your congregation or to share your story, please contact info@criterioninstitute.org.
Crowd Funding Your Loan with the Public Witness Pathway

When congregations do the 1K Churches Bible study, they learn about five different pathways for making their small business loan and are invited to choose one to follow. St. Stephens Episcopal Church in East Haddam, Connecticut, chose the “Public Witness” pathway, in which a congregation becomes the trustee for a small business in their community on the Kiva on-line crowd-funding platform. The congregation publicly stands up for a business that is contributing something of value to the community and encourages others to join them in making many small individual loans to the business on-line. The church publicly witnesses to the integrity and worth of the business owner, who for any number of reasons might not qualify for a standard bank loan. Through a partnership with Criterion, Kiva processes the loan and manages the repayment to the many small lenders.

Rev. Adam Yates, Rector of St. Stephen’s, shares his congregation’s experience of the Public Witness pathway here, for the benefit of the wider 1K Churches community.

As is so often the case in church ministry, it is the little things that can make all the difference. At St. Stephen’s Episcopal Church in East Haddam, CT, we had successfully completed the 1K Churches curriculum during Lent and had a group of excited individuals who wanted to put what they had just learned into action. Implementing that plan, however, meant involving a much larger group of people, a group of people who had not necessarily been involved with our Bible study and conversations over the previous couple of months.

As we began talking about our church making a microloan, people’s anxiety began to emerge. They were anxious about the church, “acting like a bank,” they were anxious about how the money would be handled, and they were anxious about what would happen if the loan wasn’t repaid. That anxiety only increased when it was announced that our first loan would be made to the owner of the newly opened coffee shop right across the street from the church. Mission is always easier when it is at a distance, and
this was about as close as it could get! Our first partner would not be a far-off stranger, it would be our next-door neighbor.

One of those small things that made a big difference in reducing anxiety was our decision to partner with Kiva to implement the loan, using the Public Witness pathway described in the Bible study. Not only did working with Kiva alleviate some of the concerns about how the church would handle the money and the actual transactions, it helped the congregation build a stronger relationship with the loan recipient: the monthly notices that everyone received from Kiva every time he made a loan payment kept him and his business in the minds of our community members. In time we learned that it was important to check in with him personally and face to face. The monthly notices about successful repayment didn’t tell the whole story about what was going on in the business and in the life of the owner we were committed to support.

Another small thing that made a big difference was the willingness of our microloan team to help walk people through the technical steps of setting up an account with Kiva and making their first loan contribution. While Kiva is relatively straightforward to use, our congregation, like many others, is made up of people with a variety of technological comfort levels. Simply having a few laptops and friendly faces to go with them during coffee hour on a few Sundays made a huge difference in the participation from across our congregation.

But the most important thing of all was something so small that it never even crossed our minds as we first set out to partner with Kiva. The simple fact that Kiva is an existing organization actively engaged with thousands of microloans all over the world meant that our own people, as they began receiving money back on the loan, could begin to make similar loans to people all over the world, even when our congregation wasn’t actively sponsoring a loan. By making the seemingly small decision to use the Kiva pathway, we ended up creating the opportunity for our people to continue to engage with our mission in their own lives and make impacts that stretch the globe.
The first loan is just the beginning!

One congregation in Baltimore has multiplied and diversified its loan-making ministry over several years. A change in pastoral leadership didn’t slow them down. They took charge from the beginning: doing the Bible study in an abbreviated form that fit their congregation, seeking different partners to identify potential loan recipients, and branching out from business loans to personal loans as need and opportunity presented themselves. Through it all they kept relationships at the core of their ministry of lending. Here is their story, in the words of the current minister, Pastor Sandra Carlson Alexis.

Our church, First English Evangelical Lutheran Church in Baltimore, had some resources we wanted to designate to help the community. But in a city with great needs, it was hard to figure out where to start. We sought partners who could identify business owners who would benefit from a small loan from us. We worked first with a neighboring congregation, Amazing Grace. With them, we successfully offered four micro-loans in their predominately African American community.

Then one of our First English members, Em Cole, met with Tiffany Nelms, the Executive Director of Asylee Women Enterprise to see if we could fund some micro-loans through them.

Asylee Women Enterprise Website - [http://www.asyleewomen.org](http://www.asyleewomen.org)

Asylee is significantly supported by Catholic women’s religious orders and supports a community of female asylum seekers as they navigate the immigration process. Women come to them from troubled places all over the world: Rwanda, Afghanistan, Honduras, and others. They include survivors of domestic
violence, human trafficking, and ethnic wars. Their slogan is “She didn’t come for a better life; she came to save her life.”

Asylee seemed like a good place to offer more micro-loans. Asylum seekers do not qualify for public assistance and often struggle their first year in the United States. Asylee representatives told us micro-loans could help asylum seekers better themselves economically and micro-loans offered a realistic repayment plan.

Through Asylee, First English made a $3,400 loan to a professional couple to pay the filing fees in order to secure green cards. The couple moved here from Africa with their six children. The father is an attorney and the mother is in a healthcare training program to jump start her career here in the US. The loan from our church has put them both on the path to getting their green cards and getting back to work so they can support their children and establish a new life in Baltimore.

Our new friends at Asylee are grateful to First English for making this new start possible for this family. Our church looks forward to other opportunities to offer micro-loans with the help of Asylee.
We have turned the corner to December. Against the long winter nights, we fill our towns with sparkling lights and our homes with glowing candles. For Christians it is a time of quiet waiting for the coming of the Light. We wait for the birth of the Christ Child who brings healing and hope to the hurting places. We wait for God’s coming among us with the power to break chains of oppression and make lives new.

The Christ Child comes to us in unexpected ways. In a birth to a poor young woman in a stable. In the extraordinary love and creativity of ordinary people. In communities that are caring and resilient and brave. You can see flashes of the light of Christ shining through this story of Amazing Grace Lutheran Church in East Baltimore and its 1K Churches ministry of microlending, as told by Pastor Gary Dittman.

When I was called to Amazing Grace 8 years ago, I had no idea how idea how this small urban congregation would be used by God to do such big things! The congregation is community based and boldly follows where Jesus leads. We are eager to extend God’s life-changing power into a neighborhood deeply impacted by the wounds of racism. Community gardens, afterschool programs, cooking classes, yoga. All free. All focused to reach a religiously and culturally diverse community.

So here’s the tricky thing, when you’re working on healing in a distressed, underserved, disinvested-in community (and I know that’s a mouthful): the wounds are deep. The wounds in fact are gaping. When Amazing Grace Lutheran Church partnered with First English Lutheran Church in Baltimore, we were sure of only one thing: we wanted to extend the healing work already happening in our community.
McElderry Park in East Baltimore is a neighborhood deeply impacted by violence, poverty, addiction and trauma. The need for healing is immense. Historical redlining and disinvestment by the city has led to dramatic disparities in health, employment opportunities, and access to capital for entrepreneurial engagements.

Amazing Grace is a relationship-centered hub where activities and programs are community requested and directed. The people are resourceful, smart, and innovative. They live in the neighborhood. And one of the things we were hearing is that it would be beneficial to have access to money to solve problems and launch entrepreneurial endeavors.

So we set up a partnership with First English church to provide no-interest loans up to $2000 to community members and allow neighbors to pay back the loans within 18 months. A leadership team in the AG congregation called Shepherds participate in interviewing candidates, hearing about the plan for repayment and the amount that will work with the family budget. While First English funded the loans to begin with, Amazing Grace has also funded a few.

Here’s a few of the loans we’ve given:

- A grandmother newly raising her three grandchildren used a loan to get a vendor license to sell food plates from her grill in front of her house to support her grandchildren.
- A young man who was a licensed electrician had recently been released from prison. He used a loan to buy tools so he could secure employment.
- A family repaired their car with borrowed funds to allow them to get to work reliably.
- A painter from the community used a loan to purchase paint and equipment to begin his own painting service.

The program has indeed extended the healing ministry. Neighbors are honored and treated with dignity, respect, and trust. Families have an opportunity to support themselves. Lives are touched, all of our lives, and we get to be God’s people together. It’s a good thing!

-Pastor Gary Dittman
More than two years ago, The Church of the Good Shepherd (Episcopal) in Ruxton, Maryland, launched its Micro-Lending Program. To date they have made 11 loans totaling $34,750. How did they do it?

Criterion Institute’s 1K Churches program was the inspiration and the catalyst. Since Criterion’s loan implementation guides were not yet available, congregational members pooled their own wisdom to determine the principles and procedures for making their loans. Leaders from a few churches in the greater Baltimore area, who were starting loan programs at about the same time, met periodically to share their experience and encourage one another.

Bob Locke, a retired banker by profession and former treasurer of his congregation, led the Micro-Lending Program (MLP) at Church of the Good Shepherd (CoGS). In this month’s newsletter, he tells their story and describes the practices that were keys to their success. These lessons from the good people of Ruxton, in their own words, reinforce much of the guidance you will find in the 1K Churches Implementation Guide available at https://criterioninstitute.org/our-work/1kguides/bible-study-resources.

One Congregation’s Keys to Success in Micro-Lending

The Church of the Good Shepherd in Ruxton, Maryland, has now made 11 loans. The goal of each loan has been to change someone’s life for the better. Each loan has done just that. The smallest loan was
$750 and the largest $5,000. As we anticipated, given the right circumstances, a small amount of money can make all the difference between heading down a new path towards success or not.

To date we have funded a local café and a small transportation company that, with the help of our loans, was able to add three new employees. Another loan went to a startup upholstery manufacturer, who plans to hire two employees. We also funded two individuals who had successfully completed their job-training programs but did not have transportation to their new jobs. One of our loan recipients, who runs a one-man hauling company, was hired as the church’s sexton. All loan recipients are from the most depressed areas of Baltimore City.

It is important to note that the purpose of this article is to simply talk about what has worked for us at the Church of the Good Shepherd. It may or may work for your church. Each church is different and has its own set of strengths, weaknesses, and circumstances. We are definitely not telling anyone how to do it. Hopefully we are providing some material that might help you along the way.

At the Church of the Good Shepherd, we feel fortunate to have been able to play a role in what we consider a most fulfilling program, both for the congregation and the loan participants. In looking back, we have been able to discern that there were a number of keys to our success to date.

1. **It is important that the Rector be completely supportive of the program.** At CoGS we are very fortunate that from the beginning the Rector has been an enthusiastic supporter of the program.

2. **It has been our experience that the Micro-Loan Program needs at least one enthusiastic advocate or two within the church, aside from the Rector.** These are the people within the church who drive this program.

3. **The program needs the support of the entire church, not just a small group.** It should be a part of the church’s ongoing program.

4. **If at all possible, the funding of the program should be totally apart from the day to day operating budget.** One of the first questions we were asked by our parishioners is “How can we afford to do this on our tight budget?” At CoGS we are indeed fortunate that we have various funds, set aside over many years, which are available for specific purposes. We were able to use one of the funds to finance our Micro Lending Program. With the approval of CoGS’ Finance Committee and Vestry we were able to allocate 5% of our outreach fund to be used to finance the MLP. Due to repayments, we have been able to lend out over twice the allocated amount.

5. **Champions from the borrower’s community play the indispensable role of recommending the borrowers to us.** These Champions know the potential borrowers well and are well known and respected by CoGS. They are probably the most important part of our program. So far, we have lent money to three distinct cohorts. In each of the cohorts we have at least one Champion. Without the Champions, our program is not possible PERIOD.

6. **The Champion is not a guarantor of the loan.** The Champion has no legal responsibility. If there is a problem with the loan, we do expect that the Champion, not the church, will contact the borrower and work with the borrower to get the loan back on track. It has been our experience that our borrowers are not financially sophisticated, and most problems are simply a result of poor communication.
7. **It is important that the church has a relationship with the borrower as well as with the Champion.** The applications are received and the loan proceeds are disbursed in person. Likewise, we keep in regular contact with the loan recipients and the Champions. When asked, we and the Champion also serve as mentors to our borrowers.

8. **It is important that the Micro-Loan Program is set up as a loan and not a gift.** We are not giving anybody anything. This is a loan, and we do not lend the money unless we have a good chance of being repaid. We make clear to all applicants that we see the loans as an investment in them and their community. We want the money to be repaid so that we can lend it out again to someone in their community.

9. **We make it clear to our borrowers that if they do not repay us in full, we will take no legal action against them.** However, if they do not repay us, there will be no more funds available to those recommended by their Champion.

10. **All of our loans are at no interest and no fees.** This is for the sake of SIMPLICITY. Our loans are administered by CoGS’ business manager. She is very busy and charging interest would be an unnecessary added burden.

11. **Both the borrower and the Champion sign two documents, each document being one page.** These documents were not drafted to be enforceable in court. They are simply outlines of what is expected from each party.

12. **We’ve found it important to set parameters on our loans.** Our largest loan will not exceed $5,000 and the longest term we will lend for is five years. The size and length of the loan is determined by talking with the borrower. Our goal is to set up a repayment schedule that the borrower can handle. Sometimes that means stretching out the repayments over a longer period. If a problem does develop during the course of the loan, we talk with the Champion and borrower and revise the payment schedule to accommodate the borrower. It goes without saying that we want the borrower to be successful. Our average loan is a little less than $3,000.

In conclusion, the above has worked for us. It, or some variation, might work for you. If I were to emphasize any of the above points, they would be in order of importance, #1, 2, 4, and 5. It needs to be noted that over the course of the past two plus years we have had to restructure a few loans. The church needs to be flexible on this. Finally, I wish you all the best in your micro-lending program. It is well worth the time and effort.

*Robert W. Locke*

*Chair of the CoGS’ MLP*

*Ruxton, Maryland*
Youth and Adults Combine to Complete 1K Bible Study in a One-Day Retreat

Leaders from Emmanuel Lutheran Church in Naples, Florida, report this month on their highly successful intergenerational retreat, during which they completed the entire five-session 1K Bible study on a single Saturday, engaged significantly across generations and cultures, and planned how to move forward with two micro-loans in their community. At Criterion we hope the Emmanuel story and the resources they share will inspire other congregations to use their imagination to adapt 1K Churches to fit their own communities. Later this summer we will check back with Emmanuel to learn more about how the youth and adults who worked together discussing faith and the economy in their retreat are going about making their loans.

The Emmanuel Story

On April 21st of 2018, Emmanuel Lutheran Church in Naples, Florida hosted a full day 1K Micro-lending retreat. Emmanuel Lutheran Church and Emmanuel Community Church are two congregations but one church. One congregation worships in English, the other in Spanish. The 1K Micro-lending retreat was part of Emmanuel’s emphasis on “Making Disciples for the Life of the World,” centering the conversation around the topics of Faith, Vocation and Economics. The goal of this retreat was to bring adults and young people from both congregations together to learn how to make a difference by investing in our community.

The initial plan for the micro-lending ministry was to create two bible-study groups, one for adults and one for young people. These plans quickly evolved into a new vision of bringing both groups together and
using a joint day-long retreat to work through the 1K materials. The goal was to keep both groups together until the last hour of the retreat, at which point adults caucused together to make their decisions concerning their loan and the young people did the same.

Twelve adults and thirteen energized youth attended this day-long retreat. The group was diverse in so many ways: in age, gender, work experience, economic status, and ethnic background. Some spoke only English, others mostly Spanish. Their diversity reflects the character of these two unique congregations and added immensely to the richness of the day’s conversation about the nature of work, money and economics.

Starting with breakfast at church, a safe learning environment was established using the 1K modular guide and a variety of delivery methods including technology. The group used iPhones for in-group research, pre-taped presentations by Emmanuel staff based on the 1K material (press here to download these tapes for your own use), small mixed-group discussions and, most effectively, a Shark-Tank video over lunch. Different pedagogical techniques were used to keep energy high and focus strong. Each session lasted only 45 minutes, advancing quickly from topic to topic. Examples of entrepreneurs within the community (e.g. bread-making and quilting) along with Spanish videos with English sub-titles were used to highlight micro-lending possibilities. Participants also collaborated in small, creative break-out sessions throughout the day.

It took a little time to create a comfort level between the various age groups, but by lunch the ice had been broken. Small group discussions were held in ever-changing groups. The diversity in the room was valued and produced amazing insights and different approaches to decision-making. Potential partners beyond the congregation were discussed; one good example was Goodwill Industries, which provides training for micro-businesses and grant opportunities in the area.

The final session involved “Debriefing the Day” and “Making Decisions.” We divided into two groups, one adult group and the other comprised of youth. Each group decided which of the five lending pathways they would choose for our two initial loans. We concluded by electing a subcommittee comprised of youth and adults that will make two investments of $1,000 into our local community, one guided by the decisions by the youth caucus and one by the adults.

The day ended with prayer and a genuine sense of accomplishment. The retreat format was intense. A lot of material and challenging ideas were handled in a short amount of time. Those participating had all grown in our understanding of the 1K Churches initiative and were unanimous in our commitment to become one of these churches. Everyone left at 4PM knowing much more about the topic of “faith and economics” than when we began the day. Our sense of satisfaction also came from bringing a new group together, sharing two meals and lots of fellowship, and making some astounding decisions that will positively impact the lives of fellow community members. Everyone sensed that something important and lasting had happened that day.

*Story by Lisa LaFevre, James Cooper, and Richard Bliese of Emmanuel Lutheran Church*
Hope and Grace Abound

Hope was the first word spoken. Members of the 1K Churches team at Napa Valley Lutheran Church (Napa, California) had been asked to use one word to express what they were feeling now -- four years since they first began with the Bible study. It was also two years since they invested $5,000 in a local printing business owned by a recent immigrant from Mexico. The repayment was still in process.

The first word was hope. The other words that popped up were grace, curiosity, potential and fascination. The conversation around that table was not so much about the money as it was about the relationship. We explored what we could do to support this business owner in our town, how we could mitigate the power differential, and how we could engage this family in meaningful ways with the congregation.

It was our newest member, Roberta, who offered that first word of hope. We learned much more when we asked Roberta what gave her hope, what drew her to join this 1K Churches team, and why this relationship with our neighbor meant so much to her.

1K Churches as an occasion for hope. “If done properly”, Roberta said, “this program gives hope to people coming to this country who face more obstacles than they should have to handle on their own. It gives them reason to hope that they can make a go of it in their new home.” Roberta understands that doing business in a country or culture to which you are new is difficult and can be overwhelming. She hopes that, “through the 1K program newcomers to the community may feel a welcoming presence and experience help in achieving the life which had been their hope when they decided to come to this country.” With the harmful rhetoric and divisiveness regarding immigration as of late, it is important to find ways to build relationships and hope in our communities. Through 1K Churches, we seek to inspire hope within ourselves and within our community.

1K Churches as the right opportunity to get involved. Like a lot of people, Roberta got involved with 1K Churches because a friend on the team knew her well enough to make the connection and invite her. Her friend knew Roberta’s love of the Spanish language, her appreciation of Latin American culture, and her experience of lending a hand to immigrants in the past. As a retired elementary school teacher, Roberta
worked part-time at the local library offering a story hour in Spanish for preschoolers and their parents. One day, one of the mothers asked her if she had time to talk to her husband, who was waiting out in the car. He had been there many times with questions about how to use the library and find information he needed, but no one until now could help him in Spanish. Of course, she had time. “When I left work that day,” Roberta said, “my feet weren’t touching the ground. I could help someone.” Now, at this time in her life, 1K Churches presented itself as the right opportunity to help.

**Grace abounds.** Grace was one of those words the team lifted up to describe their 1K Churches experience. Grace continues to unfold as the team meets quarterly after church, now beginning their fifth year of focus on 1K Churches. Two members of the group stay in regular contact with the business owner. This month they are inviting the owner's family to come to the church’s ice cream social, and they're making a special effort to be sure that there will be members present who are fluent in Spanish.

Plans are underway to start a new Bible study group at Napa Valley Lutheran Church in early 2019. The pastors, who will be retiring in early 2020, want to be sure that 1K Churches does not get lost in the transition. 1K Churches has been a slow, quiet, faithful effort of a relatively small group at NVLC, but it is full of great hope, abundant grace, intriguing curiosity and unlimited potential. Just ask those who have been working on it there these last four years.

*Phyllis Anderson is a member of Napa Valley Lutheran Church as well as the 1K Churches team. She is also the Criterion staff member who writes the monthly 1K Churches Newsletter.*