



# NECOG Development Corporation

RLF Quarterly Newsletter

October 2011

## *A Pat on the Back*

NECOG Development Corporation (NECOG-DC) has been operating our Revolving Loan Fund (RLF) since 1989. It's been 22 years now and we recently reached a milestone worth patting ourselves on the back. In 2011 NECOG-DC reached the \$10 million mark in loans lent and nearly \$80 million in fund leveraged.

What makes this number all the more impressive is that NECOG-DC requires each of our borrowers to first attempt to secure bank financing. Only after they have tried to secure financing conventionally will NECOG-DC consider their application.

Our loan fund started out small with a grant from the Economic Development Administration (EDA) in the amount of \$400,000 plus a local match of \$166,667. Two additional EDA grants, three IRP loans and some other funding has been added to it over the years. All of this funding, with the exception of one, has required some sort of matching funds.

It hasn't been all uphill, as NECOG-DC has had some setbacks along the way and has needed to write off portions of 24 loans. Still with the expense of administering the RLF and the write-offs, NECOG-DC's RLF has grown to a portfolio of just over \$4.7 million today.

Along the way, NECOG-DC has made 167 loans to eligible individuals and businesses in our service area. These loans have resulted in the creation or retention of 1,550 jobs. As an overall portfolio, NECOG-DC leverages one job per \$6,714 lent and leverages almost \$8 per RLF dollar lent.

If you know of someone that would benefit from our program, please have them contact Rich Galbraith at (605) 626-2595 or [rich@necog.org](mailto:rich@necog.org).



## *Solopreneurs*

By Christine Goldsmith

With so many people chronically unemployed or underemployed, starting a small business can be an avenue to achieving personal success, however anyone defines it. And small business can be very small – it can consist of just you, and stay that way. A new catchword, ‘Solopreneur’ describes entrepreneurs who work alone and happily operate their business single-handedly. They may hire out tasks, like bookkeeping, but they likely provide all the services and work directly with customers themselves. This is usually because they have a real passion for their expertise and aren't interested in becoming a manager of others.

Being a solopreneur can be a great way to start investing in your own entrepreneurial education with limited resources and the most flexibility. Think about what you love to do and what you are good at. What kind of expert would your friends describe you as being? How can you blend your knowledge in several areas to meet a need in a new way? Solopreneurs might be small, but can have quite an advantage over traditional competitors – they tend to have less overhead costs and can fulfill their customer needs in ways that wouldn't keep a larger business busy. Solopreneurs can live with up and down incomes, knowing that sometimes being there for a small project can get your foot in the door for future work.

Solopreneurs are also becoming more and more the people that are called for one-time projects  
*(continued on page... 2)*

NECOG Development Corporation is an Equal Opportunity Lender, Provider, and Employer.

## NECOG-DC to Start Credit Reporting

NECOG-DC is excited to inform you that we will be joining Credit Builders Alliance, a nonprofit initiative to report your repayment history to the major credit bureaus. This will help you to continue to access our loan programs as well as open opportunities for other safe, affordable financing for yourself and your business. This is a tremendous opportunity for you to get a national credit rating and score on record, or to improve your current one.

We will begin reporting your repayment history to Experian and TransUnion in January 2012. The entire payment history of all active accounts will be reported. If your account is currently active all of the payments from the date of your loan origination will be reported to Experian and TransUnion.

I urge you to continue making your payments on schedule, as it will have a positive impact on your credit score. If you are late on your loan payments please catch up and avoid the negative impact that delinquency status will have on your credit report.

If your account is currently past due, please contact our office immediately to make payment arrangements. We can discuss your options to bring the account to good standing. Please keep in mind that your repayment history will also be reported for any cosigners or personal guarantors connected with your loan. Any delinquency on your account will also negatively impact their credit history and score. If you used a personal guarantor of a cosigner to receive your loan, these individuals will receive a letter informing them of this situation as well.

Please do not hesitate to contact our office with any questions or comments regarding this matter. I look forward to hearing from you and to continue working with you in the future.

Sincerely,

Rich Galbraith  
RLF Manager



*(Solopreneurs... continued from page 1)*

that larger companies and organizations need completed. With fewer employees being asked to do more all the time, there are projects that never really get started or finished. Solopreneurs can find these opportunities by staying actively engaged with their networks and continuing to follow their passion.

There is a new 'economic normal' being developed in the U.S. This next generation of workers could not only train for careers as an employee, but may also need to learn the skills to operate their own business, and perhaps be ready to do both simultaneously.



High School Students  
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DUE 10.31.11  
1000  
business is GREAT  
BIG IDEA  
Tell us your best business idea and compete for cash and scholarships. What type of business would you start? Apply online today.  
1st - \$1000  
2nd - \$500  
3rd - \$250  
BONUS Marketing Competition  
Create a logo and ad to promote your idea and Win \$500!  
VISIT BigIdeaSD.com  
for rules and online entry form  
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NECOG-DC can be found at [www.necog.org](http://www.necog.org) or you can "Like" us on [FaceBook](https://www.facebook.com/necogdc). We would also like to hear from you if you have a FaceBook page that you think we should like.

## Should I Start My Own Business?

By: Jeff Reynolds as published at Center for Rural Affairs ([www.cfra.org](http://www.cfra.org))

People start businesses for lots of reasons, but too often in a weak economy they feel forced to start a small business because they see no other opportunities. Sometimes this works out, but more often it doesn't, and financial problems are only compounded for the people involved. On these economic times, it is absolutely critical that people looking to start a business for whatever reason ask themselves the critical question, "Should I or Shouldn't I?"

Until you can truly answer the question, don't start a business. These key points will help you decide.

Do you have what it takes to be an entrepreneur? Do you have experience in the business area and knowledge on how to operate a business? Are you willing to work all the hours it will take to make the business successful? Are you willing to assume the risk involved?

Cash is king. The majority of business startups are undercapitalized. Cash is the lifeblood of a business, and too many die a slow death from being undercapitalized. Ask yourself, are the needed funds in place to not only start the business, but to keep it going until it is profitable? Are your projections realistic?

Is there a need for your business? Have you accessed the market to determine if there is a demand for your business? Have you taken the time to write a realistic and feasible business plan?

These key points aren't inclusive, but they will help answer the question, "Should I or Shouldn't I?" I recommend not starting a business until your answer is an absolute "yes". If your answer is "no", it doesn't mean you'll never be able to start

your own business, it just means all the pieces of the puzzle aren't in place yet.

If you would like more information on starting your own business, please feel free to contact: Rich Galbraith (605) 626-2595 or [rich@necog.org](mailto:rich@necog.org). I would also advise you to talk to local professionals that you may know including; a banker, attorney, or other business owners.





### 5 Reasons to participate in the BIG IDEA competition!

1. *Expose* your students to the world of Entrepreneurship with a **FUN** and **EXCITING** competition that will give them the cutting edge as a future entrepreneur.
2. Students can **win GREAT** prizes (*Cash and scholarships*) and meet other students and future business mentors.
3. *You* can receive recognition for your school team's efforts and enhance your understand of entrepreneurial studies.
4. *You* can network with other business education professionals.
5. **HELP** area youth explore their options.

| PARTICIPATION HISTORY |      |      |      |      |       |
|-----------------------|------|------|------|------|-------|
|                       | 2007 | 2008 | 2009 | 2010 | TOTAL |
| Entries               | 101  | 137  | 103  | 148  | 489   |
| Marketing Design      | NA   | NA   | 30   | 27   | 57    |
| Students              | 133  | 179  | 150  | 204  | 666   |
| Schools               | 10   | 16   | 10   | 18   | 25    |

**Finalist Comments**

- "This whole process has been a great learning experience that will certainly help me in my future career." *Cody Palmquist, Doland High School, FIRST Place, 2010 Competition*
- "It was fun putting together a proposal." *Alex Boekelheide, Northwestern High School, 2nd Place 2010 Competition*

**Teacher Comments**

- "Wow! What a wonderful competition you have created for high school students! I am so glad I got my students to take part in the "Big Idea" competition and I can't believe how much they learned about starting up their own business." *Janet Halberg, Doland High School*
- "It's an exceptional experience with great incentives and rewards." *Brenda Merkel, Leola High School*

**IMPORTANT DATES TO REMEMBER**

LAUNCH DATE: September 1, 2011  
 SUBMISSION DEADLINE: October 31, 2011  
 FINALISTS NOTIFIED: Mid-November 2011  
 AWARDS CEREMONY: First week of December 2011

## Opt-Out / Opt-In

### What are the benefits of receiving firm offers?

Equifax, Experian, Innovis, and TransUnion, (collectively the "Consumer Credit Reporting Companies"), encourage you to make an informed decision about receiving firm (preapproved / prescreened) offers of credit or insurance. There are several benefits of receiving firm offers.

- Consumers are provided with product choices
- Consumers learn about and have an opportunity to take advantage of offers that may not be available to the general public
- Firm offers help consumers to "comparison shop", which may increase a consumer's buying power.

For more information on the benefits of receiving firm offers, click on the link below to view a PDF version of the report to Congress from the Federal Reserve on Unsolicited Offers of Credit and Insurance. See pages 32-40, "Benefits of Receiving Written Offers of Credit or Insurance"

[Benefits of Receiving Written Offers of Credit or Insurance](#)

[Click Here to Opt-In or Opt-Out](#)

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### What is the purpose of this website?

Under the Fair Credit Reporting Act (FCRA), the Consumer Credit Reporting Companies are permitted to include your name on lists used by creditors or insurers to make firm offers of credit or insurance that are not initiated by you ("Firm Offers"). The FCRA also provides you the right to "Opt-Out", which prevents Consumer Credit Reporting Companies from providing your credit file information for Firm Offers.

#### Through this website, you may request to:

- Opt-Out from receiving Firm Offers for Five Years - (electronically through this website).
- Opt-Out from receiving Firm Offers permanently - (mail Permanent Opt-Out Election form available through this website).
- Opt-In and be eligible to receive Firm Offers. This option is for consumers who have previously completed an Opt-Out request - (electronically through this website).

If you choose to Opt-Out, you will no longer be included in firm offer lists provided by these four consumer credit reporting companies. If you are not receiving firm offers because you have previously completed a request to Opt-Out, you can request to Opt-In. In doing so, you will soon be among the many consumers who can significantly benefit from having ready access to product information on credit and insurance products that may not be available to the general public.

