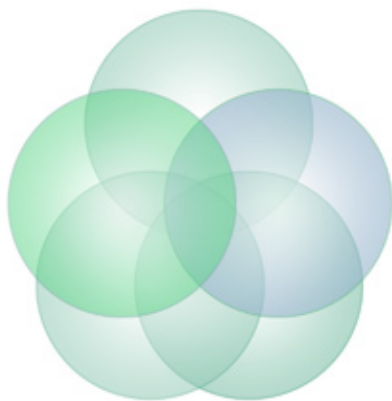




PARO Centre

For Women's Enterprise



PARO Circles & Loans

Helping women increase their capacity
for economic self-reliance.



PARO Circles & Loans

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For Women's Enterprise

Introduction

PARO Centre for Women's Enterprise

The word PARO is Latin for "I am ready".

PARO was founded in January 1995 as the Women's Community Loan Fund. It is a grassroots community economic development (CED) organization with an elected not-for-profit Board of Directors. The Board of Directors is elected from its circle membership. PARO, therefore, builds on the strength of its circles.

PARO's mandate, as a registered charity, is to increase the economic independence and self-sufficiency of women and their families by assisting in the development of their micro-enterprises. By delivering programs, PARO provides women, especially those with low or moderate incomes, with training, counselling, information, resources, support, and peer loans necessary to develop and expand their businesses and to move forward in their lives.

PARO provides a myriad of integrated supports to women: peer lending circles, training workshops and seminars, business development counselling, job and training linkages, assistance accessing funding, as well as marketing and networking opportunities.

Increasing numbers of women are becoming entrepreneurs, and utilizing their myriad skills to launch businesses. While often these businesses are small "micro-businesses", they still require capital to start or to expand. Unfortunately, many women often do not have a sufficient credit rating to secure credit and are unable to borrow money from a bank. Other women prefer to build their businesses slowly, require small amounts of money, and prefer to borrow from their peer circles. Smaller loans, on which the interest gained would amount to less than administrative costs, are not appealing to the

average bank. Many women simply find that they cannot borrow money to start or expand their business.

In order to increase the community's capacity for economic self-reliance, women require access to adequate and appropriate credit. PARO's peer lending and training programs provide women with access to appropriate credit, as well as necessary planning and training to help establish or expand their micro-enterprises. Also, supports are provided to help navigate the systemic hurdles of self-employment. PARO's peer loans aspire to help more women become active partners in their community's economic development. PARO's peer lending program was developed and adapted to fit the needs of women in this region from The Calmeadow Foundation Model and the experiences of other successful loan funds. Loan capital and assistance with loan administration for PARO's peer loans is provided by our partners: Community Futures Development Corporations (CFDC) in Thunder Bay, Superior North, Atikokan, Patricia Area, Greenstone, and Superior East Areas of Northwest and Northeast Ontario.

Since its inception, PARO Centre for Women's Enterprise has continued to grow and develop new business and employment development programs to meet the needs of women in the region. In 2006, PARO launched PARO on Wheels, a mobile training van, to bring PARO programs to areas west and east of Thunder Bay. By partnering with regional community partners, PARO on Wheels enhances our Women's Enterprise Centre programs by serving communities across the north from Wawa in the east to Kenora in the west and north to Red Lake, and the Greenstone area. PARO on Wheels brings regularly scheduled service to women and communities across our region.

** Source –Our Piece of the Pie: A Recipe for a Women's Community Loan Fund, Rosalind Lockyer, 2000*

*"Our lives
and business experience has been greatly enhanced due
to being circle members. The down-times and struggles are always going to be there
when you are in business, however, so are our circle members. The members of our circle have
developed a friendship and trust amongst the monotony of trying to start a new business while
juggling family, young children and our personal lives."*

*- Genesis Circle **

PARO Circles

Peer Lending Circles

Peer lending circles are small groups of between four and seven women, who are over the age of 18, each of whom presently operates their own business, wishes to start their own business, or believes in “women helping women”.

PARO is built upon the strength and participation of its Circle members. PARO is led by a Board of Directors that is made up of Circle Members. In addition, a number of Circle members participate in each year’s strategic planning.

There are a great number of benefits of being a PARO Circle member, including but not limited to:

- Access to and sharing of business knowledge
- Peer mentoring, support, & encouragement
- Access to peer loans from \$500 to \$5000
- Access to a variety of perspectives and experiences
- Reduced rates for PARO events and equipment rentals

The membership of the circles is self-selecting, but cannot include immediate family members. This means that members choose each other and meet on a regular basis to provide support and advice for one another’s businesses as well as to examine and ultimately approve one another’s peer loans. Prior to the Board of Director’s approval of the loan process, the circle members review and approve the circle loan applications. The Loans Officer, with the supervision and support of the Executive Director, provides assistance to the circle member with the loan applications and cash flow statements before presenting to the circle for approval. The CFDC in the borrower’s area provides the loan upon circle approval.

CIRCLE DEVELOPMENT

Peer Pressure Becomes Peer Support

We encourage women from a variety of backgrounds to establish circles with a mixture of expertise. This way some of the women may have experience as entrepreneurs from different sectors, while others may have little or no experience but offer life and past work experience. This variety of perspectives provides the Circle members with a wide base of knowledge from which to draw.

How do I find circle members?

- Networking events
- PARO programs
- Friends
- Colleagues
- Associations or clubs
- Women in whom you trust

How do I start a circle?

- Form a tentative circle
- Choose a circle name
- Develop circle bylaws (template provided)
- Develop an emergency fund (EF)
- Pay annual circle membership (\$10)
- Complete circle formation form & checklist

*Source –Our Piece of the Pie: A Recipe for a Women’s Community Loan Fund,
Rosalind Lockyer, 2000*

*“We are encouraged to know that others have gone before us and that our experiences are shared by an entire association of women.” Diversity Circle**

PARO LOANS

Peer loans:

- Are small business loans.
- Are approved by other members of the peer circle.
- Provide control and ownership to circle members.
- Encourage peer support.
- Promote community participation.

Why apply for a peer loan?

- You have no credit or a poor credit history.
- You have no collateral or cash equity.
- You are apprehensive about approaching a traditional financial institution.
- The amount of loan is too small for a bank to consider.
- You do not want to become deep in credit card debt.
- You want training and coaching, in addition to credit.

In addition, PARO can assist individuals to leverage loans from traditional financial institutions and the local CFDC when the loans from the loan fund do not meet their particular needs.

Small Loans In Four Stages

Loans are available in incremental amounts, the minimum amount is \$500, and the maximum amount is \$5,000. The loans are disbursed in four stages.



A first time borrower can apply for a loan of either \$500 or \$1,000. Once the initial loan is re-paid, an individual qualifies for a larger loan from the second stage for either \$1,500 or \$2,000. A third stage loan of \$2,500 or \$3,000, and finally, a fourth stage loan of \$5,000 is available to circle members. These loans are available if borrowers have successfully progressed through the required previous stages and all other members of their circle are current with their loan repayments. The two amounts at each stage are intended to provide some flexibility for borrowers who require smaller loans, while still providing standard amounts to streamline administrative work.

Each stage is repaid over a standard term, regardless of the size of the loan. First, second, third, and fourth stage loans have terms of 9, 18 and 27 months respectively. The interest rate, at present, is 10% or less for all loans. A training program provides women with both an orientation to the loan fund process, as well as with small business planning and development counseling.

Stage #	Loan Amount	Term	Monthly Payment
1	\$500 or \$1,000	9 months	\$120
2	\$1,500 or \$2,000	18 months	\$120
3	\$2,500 or \$3,000	27 months	\$120
4	\$5,000	27 months	\$220

LOAN APPLICATION PROCESS

Circles

- Decide who can apply for initial loans.
- Review the loan application.
- Approve, disapprove, or asks for adjustments.
- All other members must be current with loan payments.
- Emergency fund must be in place.
- Loan application is submitted to PARO.
- Circle approved application is presented to the Board of Directors where the circle approval process is reviewed.

Loan Approval

Circle members critique one another's proposals and "financial character" using a standard series of questions compiled from business plan criteria and a straightforward cash flow projection form. The Loans Officer assists with this process before the loan application is presented to the circle for review.

With a new circle, the first loans can go to only half the circle's members. The Loans Officer or an experienced circle member assists with the first loan approvals for a new circle. Later all circle members can receive loans if sufficient funds are available in the Emergency Fund. Members from a particular circle are eligible to apply for another increment of loan as long as all members of the circle are up-to-date with their payments. The circles approve the loans.

Following final approval of the loan approval process by the Board, loan agreements are signed, copies are brought to the local area Community Futures Development Corporation, and a cheque for the amount of the loan

is disbursed to the borrower. Loan re-payments are made by authorized automatic withdrawal or by post-dated cheque.

Circle members are responsible for the creation of their emergency fund, either by fundraising or from a portion of their loan, to cover any default. The circle provides both incentive and support for borrowers to repay their loans. All circle members must contribute to the Emergency Fund.

Emergency Funds

Unlike traditional loans, borrowers do not require cash equity; the circles assess each individual's borrowing character by consensus. Security is provided by an emergency fund that is established by each circle, as well as an emergency fund held in reserve by PARO.

The emergency fund will cover any unavoidable missed payment by a circle member. The amount in the "e-fund" is equal to the amount of one month's loan payment for each of the loans that the circle has out. In the eventuality of a late payment, the Executive Director or Loans Officer notifies the circle, and they work together to address the situation. If no solution is found within the circle, The Board of Directors is notified. Unfortunately, there can be no future loans given to the circle until all members are back on schedule.

PARO LOANS 2008	Number	Value
1st stage loans	77	\$ 75,000
2nd stage loans	31	\$ 62,000
3rd stage loans	21	\$ 62,500
4th stage loans	08	\$ 40,000
Total	136	\$239,500

*“Our members
have found increased confidence in themselves
as business women in our community through their interaction with one
another and the PARO organization as a whole. Financially, the loans available have
helped some of us expand, begin our business or improve on what we have already established. It is
imperative that credit be available to anyone in business and PARO with its peer lending
base has made that credit accessible to women in small businesses, some not so
small anymore.” – Circle Member -**

** Source –Our Piece of the Pie: A Recipe for a Women’s Community Loan Fund, Rosalind Lockyer, 2000*

*“What I most
appreciate about being a PARO Circle
member is the comradeship and support I get from the other members. The
ability to interact with people from different walks of life also gives me a better view of the
population at large and helps me to try to “tune” my business more. There is a vast knowledge that
has accumulated within the organization that I can tap, to help me with business decisions.
Other peoples’ mistakes can be turned into valuable lessons for others”
~Circle Member **

** Source –Our Piece of the Pie: A Recipe for a Women’s Community Loan Fund, Rosalind Lockyer, 2000*

PARO Enhanced Women's Enterprise Centre Programs

PARO CENTRE

The head office, on-site and virtual incubator; a resource and training centre providing office and equipment rental and other resources for women and the community.

PARO ON WHEELS

Mobile training and referral service for women living in Northern Ontario.

NORTHERN OPPORTUNITIES FOR WOMEN (NOW)

A Regional Outreach and Awareness Development Program to nurture and develop peer circles, while providing self-employment, employment, and training support and referrals.

ACCELERATOR

To enhance the growth of women's businesses.

ACCELERATED SOCIAL ENTERPRISE CONSULTING

To facilitate accelerated skill development, enhanced networking opportunities and market identification.

GATEWAY: A Path to Self Employment (SEB)

To develop a business plan, start and develop a business in the Thunder Bay area.

MAKING A DIFFERENCE

To assist with business start-up and employment development across the region.

WOMEN'S COMMUNITY LOAN FUND

Peer mentoring and lending circles.

PARO PRESENTS STORE

A social purpose enterprise providing retail training and marketing opportunities, selling women's products from across the north.

BOARD OF DIRECTORS

2007 – 2008

Linda Bruins Vesta Circle	President
Gabby Cross Gemstones Circle	Vice-President
Jan Hunter Protogenia Circle	Secretary
Levina Collins New Beginnings Circle	Treasurer
Lorraine Lortie-Krawczuk Aurora Circle	Director
Mary Jane Sussko Upstream Circle	Regional Director
Daina Maslach Limitless Ladies Circle	Regional Director

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Enhanced Women's Enterprise Centre

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Loretta Shymko - Volunteer Team Leader

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PARO CIRCLES 1995 to 2008

A Few Fried Fish
A Helping Hand – Sioux Lookout
Artemis Circle
Artistically Healthy
Athena
Atikokan Creative Innovators
Aurora
Barefoot Crones-Lappe
Building A Dream
Chain Linx
Circle of Honour
Circle of Prosperity
Circle of the Goddess
Determined Women on a Journey
Diversity
Double Edge– Red Rock/Nipigon
Dream Builders
Dryden Link-Dryden
Elements of Balance
Focus
Friends
Gemstones
Genesis
Great Spirit – Manitouwadge
Kindred Spirits
Lightworkers
Limitless Ladies – Dryden
New Beginnings – Nipigon
New Dimensions
Northern Lights - Longlac
Nova
Odyssey
Osmosis Girls - Dryden
P.S.
Paromagnetics
Peer #1 - Manitouwadge
Phoenix
Power from Within
Protogenia
Pyramid
Red Neck Women
Ring of Success
S.E.E. Circle
Serenity
Soul Sisters
Superior by Choice – Schreiber
Synergy
The Strongest Link
Trailblazers
Upstream - Dryden
Uptown Image
Vesta

We gratefully acknowledge the support of:



**EMPLOYMENT
ONTARIO**

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For more information, visit
www.paro.ca

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