



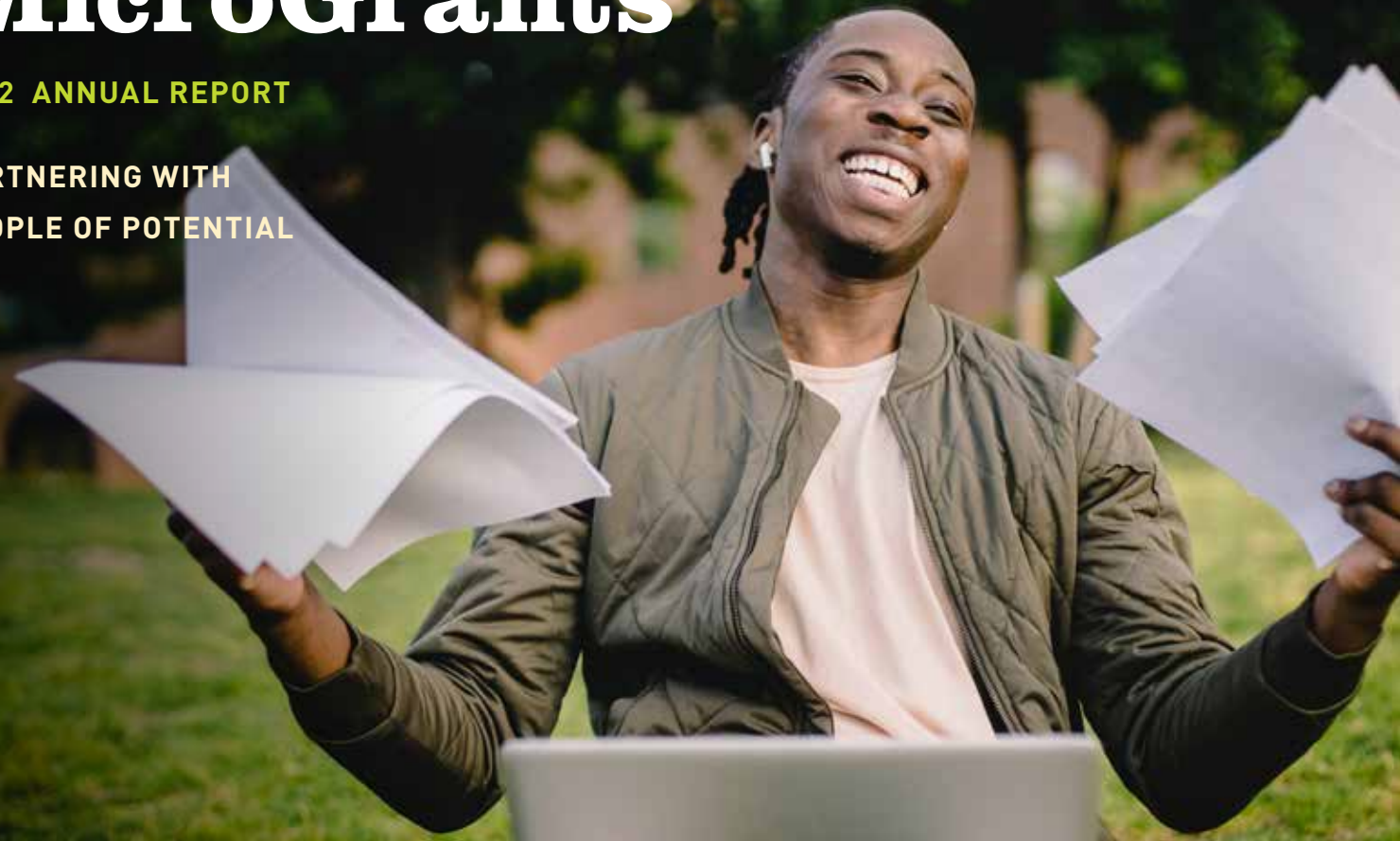
100 North Sixth Street – Suite 626B
Minneapolis, MN 55403

microgrants.net
lightsonus.org

MicroGrants

2022 ANNUAL REPORT

**PARTNERING WITH
PEOPLE OF POTENTIAL**



OUR MISSION

To spur economic self-sufficiency by giving strategic and timely grants to low-income people of potential through Partner Agencies.

875

2022 GRANTS

\$1600

AVERAGE GRANT

\$1.4M

TOTAL GRANTS

Build wealth, not debt

Inspired by Nobel Peace Prize winner Muhammad Yunus and the Grameen Bank microlending approach, MicroGrants was founded in 2006 by Joe Selvaggio. Unlike Grameen Bank's microlending strategy, microgrants do not need to be repaid.

"In the United States, too many people — especially the poor — are saddled with immobilizing debt," Selvaggio has written. In addition, most microlending is made in contexts where borrowers have some capital, usually in the form of land. Urban, low income people tend to have no capital and are often in some form of indebtedness. For these reasons, the MicroGrants approach focuses on grants, rather than loans, and building wealth rather than debt.

Partners made it possible

Partnerships are what make MicroGrants work. Our 50 Partner Agencies, trained, identified, and followed up on our grantees with a level of intensity and familiarity that would be the envy of any commercial bank loan officer.

Through our partners, grantees proved their work ethic, skills and plans over weeks and months. And they did it at no cost to MicroGrants. Donor dollars were effectively and efficiently invested. That is why over 90% of our grantees achieved or were on course to achieve their goals at our three-month review.

Partnerships are the driving force behind Lights On! as well. In 2022, our 163 law

enforcement partners included cities, counties, universities, state patrols, and reservations. Lights On! enhanced interactions between officers and communities – trading high fives, hugs, and selfies across 21 states. Over 99% were satisfied with what would have otherwise been a stressful interaction.

Our small but mighty team of six, along with our many partners, empowered organizations and individuals for changed lives, enhanced relationships, and a better future.

Sincerely,



Don Samuels, CEO



Tom Welch, Board Chair

Partnership

GOING DEEP AND WIDE WITH OUR PARTNER AGENCIES

From the inception of MicroGrants, the relationships with our Partner Agencies has been a critical component to reaching our grantees and ensuring good stewardship of our granting funds.

Our vast Partner Agency network allows us to go wide across the metro and, in 2022, it was time to go deep with our relationships. We addressed turnover to establish good working relationships with our new counterparts, and made sure we had a steady flow of applications, progress updates, and success stories of our grant recipients. We hosted a Partner Agency Summit to better understand the ongoing, changing needs from our grantees and collect and address feedback about our process.

**Our partners
make it possible**

REPUTATION

The advantage of working with reputable nonprofits is that they attract the individuals we are looking to support with our grants across our grant pillars.

RELATIONSHIPS

Based on their long-term relationships with participants, staff at Partner Agencies recommend individuals who would benefit from a microgrant. This trusted relationship is essential to picking the right persons, mentoring them, holding them accountable, and evaluating their success.

REACH

Partner Agencies allow us to serve many different populations with different needs in culturally competent ways.



After completing Hired's Career Pathways training for Medical Device Assembly, ELAINE started working with Medtronic soon after. She relies on her vehicle to get to and from work. When notification lights started to pop-up on her dashboard, she reached out to Hired and was able to get support through MicroGrants.

"My car is truly repaired now, and much more safe. This is very beneficial for a working mother like me. Thank you."

ELAINE
Referred by HIRED

Work

A MISSION-DRIVEN MODEL THAT'S WORKING

Our mission has been clear and steadfast since day one: spur economic self-sufficiency by giving strategic and timely grants to low-income people of potential. For MicroGrants, that mission has crystalized around work.

Training for work: Education and Training Grants fund education programs to help recipients obtain new skills for employment or earn professional certifications and licenses through short-term vocational programs including phlebotomy, certified nursing assistants, EKG technicians and the trades.

Creating work: Business Grants help entrepreneurs establish or boost an existing business. We fund

business growth initiatives that will spur self-sufficiency and improve long-term sustainability such as startup costs and ongoing opportunity expenses.

Getting to work: Transportation Grants* help remove transportation-related barriers to self-sufficiency through vehicle repair or purchase. Having more stable transportation options significantly increases access to employment opportunities.

* In 2022, transportation grants – historically in the form of donated cars or vehicle repairs – were becoming harder and harder to accommodate. The COVID-19 pandemic created a shortage of reliable used vehicles. Grant repair requests were submitted for vehicles that had issues beyond what our typical grant could accommodate. We're evaluating how we evolve this program to ensure the funds have long-term benefits, and are not just short-term solutions.

Growing up, MARTIN was surrounded by barbers, and he spent a lot of time at his uncle's shop. When he found out he was going to be a father, he wanted to be a positive role model to his new child, but barber training is expensive. His employment counselor helped him apply for a MicroGrant to enroll in the nine-month program. Today, Martin is a proud father, and preparing to take the state licensing exam.

MARTIN
Referred by HIRED



THE MICROGRANTS MODEL WORKS

Our grantees achieved the following results:

- 98%** achieved or were still actively engaged in achieving their goals
- 53%** increase income within three months
- 50%** get off public assistance
- 97%** feel positive about their immediate future
- 91%** believe their quality of life has improved
- 80%** feel better prepared to get and keep themselves and their families out of poverty

THE HEALING IS HAPPENING

Since its formation in 2017, the Lights On! program has been celebrated by every entity that learns about it: law enforcement, government leadership, the media, the NFL(!) and most importantly, the voucher recipients. The program is accomplishing all the goals we set out to achieve. The survey responses speak for themselves.

“

I'm very pleased with this program. I would like to say THANK YOU! to whoever started this program, along with every repair shop and law enforcement agency that participates.

BLOOMINGTON | MN

THIS INITIATIVE IS AMAZING AND WILL HOPEFULLY HELP IN BONDING COPS WITH COMMUNITY MEMBERS AGAIN! I ABSOLUTELY LOVE THIS PROGRAM, AND COULDN'T BE MORE THANKFUL.

COLUMBIA HEIGHTS | MN

Voucher recipient testimonials

My six-year-old African American son was in the car with me, and he was afraid. It turned into a positive experience and interaction for him to see police in a helpful, positive light. I also would have struggled financially to get the repairs done.

WICHITA | KS

This program is a way to build confidence in law enforcement – being helpful as opposed to over-bearing or harsh. More programs like this can help build a positive relationship with law enforcement.

MINNEAPOLIS | MN

“

This was such a great experience for my son. I was driving him home from work when I was pulled over. It gave me a chance to discuss how to respond, and where to find the car insurance. He went from very nervous to remarking how the officer was very professional and nice. My son was impressed that the focus was on safety, not on punishment.

FRIDLEY | MN

We have both been unemployed and struggling financially. Door Dashing to help meet needs. This came at the right time, and actually helped us out. Thank you for being understanding and helping us to continue being safe on the road.

MANKATO | MN



LIGHTS ON!

A PROGRAM OF MICROGRANTS

IT WAS MY FIRST TIME BEING PULLED OVER, SO I GOT A LITTLE WORRIED ABOUT GETTING A TICKET. BUT IT WAS VERY NICE TO RECEIVE THE VOUCHER INSTEAD. IT WAS A GOOD EXPERIENCE TALKING WITH THE POLICE OFFICER, AND MEETING LOCAL AUTO MECHANICS.

SPRING VALLEY | MN

The officer was AMAZING. Honestly the voucher could not have come at a better time. We were strapped because of other expenses.

CHANHASSEN | MN

Continuous Healing Summit

CONVENING OUR BIGGEST SUPPORTERS



April 2022, we hosted the Lights On! Continuous Healing Summit. The purpose was to bring together our strongest supporters and luminaries of the policing profession to assess where we are today, and what we could be doing in the future to continue community healing. We had 75 attendees from eight states.



HIGHLIGHTS

clockwise from above

We facilitated Bridges of Reconciliation breakout discussions for the attendees to discuss what's working in their communities, what still needs to change and how to get there.

Chuck Ramsey, a pioneer in 21st Century Policing, kicked off the morning with a keynote.

Chuck Wexler, PERF executive director, led us in a town hall based on the key takeaways from breakout discussions.

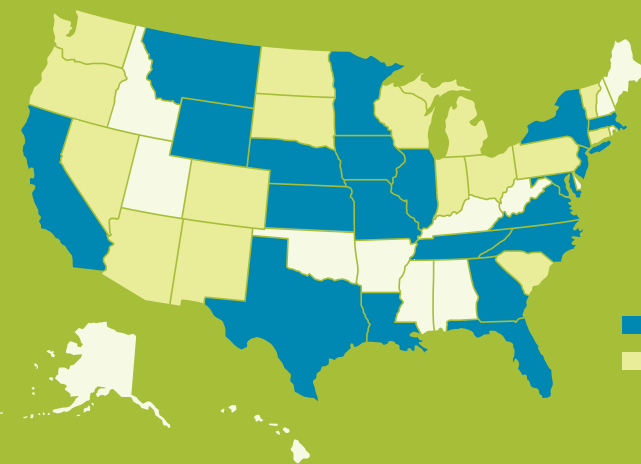
Our MC, Greg Coleman, ended the day with a fireside chat with Valerie Castile, the mother of Philando, who was killed during a traffic stop and inspired the Lights On! Program.

10,000
VOUCHERS

MAJOR MILESTONE

The Lights On! program continued to grow in 2022. We added to the team to accommodate demand as we reached a significant milestone: 10,000 vouchers redeemed!

That's 10,000+ restorative moments we've created with a simple idea.



In 2022, we added 24 new partners in 5 new states.

■ LIGHTS ON! PARTNERS
■ INTERESTED IN - OR IN THE PROCESS OF - PARTNERING

Financials

Year ended December 31, 2022

STATEMENT OF ACTIVITIES

	Without Donor Restrictions	With Donor Restrictions	2022 TOTAL	2021 TOTAL
Support and Revenues				
Foundations and donor-advised funds	\$ 495,341	\$ 95,000	\$ 590,341	3,030,600
Individual contributions	415,403	38,961	454,364	653,633
Corporate contributions	84,700	62,200	146,900	81,200
Investment income	3,124	-	3,124	274
Events	21,500	-	21,500	-
In-kind revenue	-	-	-	12,500
Net assets released from restrictions	529,292	(529,292)	-	
Total support and revenue	1,549,360	(333,131)	1,216,229	3,778,207
Expenses				
Grant and program services	2,314,646	-	2,314,646	2,425,075
Management and general	103,474	-	103,474	114,917
Fundraising	260,478	-	260,478	221,485
Total expenses	2,678,598	-	2,678,598	2,761,477
Change in net assets	[1,129,238]	(333,131)	(1,462,369)	1,016,730
Net assets - beginning of year	2,102,170	523,473	2,625,643	1,608,913
Net assets - end of year	\$ 972,932	\$ 190,342	\$ 1,163,274	2,625,643

STATEMENT OF FINANCIAL POSITION

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 1,150,414	\$ 2,627,597
Pledges receivable	55,151	27,667
Prepaid expenses	1,818	1,871
Total current assets	1,207,383	2,657,136
Property & Equipment (net)	2,437	
Total assets	\$ 1,209,820	\$ 2,657,136
Liability and Net Assets		
Current liabilities	46,546	31,493
Net assets		
Without donor restrictions	972,932	2,102,170
With donor restrictions	190,342	523,473
Total net assets	1,163,274	2,625,643
Total liabilities and net assets	\$ 1,209,820	2,657,136

2022 FINANCIAL OVERVIEW

Revenue for the year declined approximately \$2,500,000 from a record \$3,778,000 in 2021. The year 2021 included \$450,000 from a new donor that was a one time event. It also included \$2,000,000 from a donor, \$500,000 of which was paid in December and intended for 2022. Due to the payment of some of these large donations during the latter part of 2021, the organization was not in a position to make grants to match the funding. This is the primary reason why grants (program services) in 2022 were similar in amount to 2021. These factors contributed to negative change in net assets of \$1,462,000 for the year and also a reduction in our cash balances of \$1,447,000.

Thank you

to our generous donors

Jim & Julia Adams
Ilse Akbar
Gina & Larry Alexander
Daniel W. & Alice Anderson
Sharon L. Anderson
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In order to attract more customers, CHARLES, owner of Stylez Cuts Barber Lounge, needed to purchase specific tools to enhance the barber-shop experience. Commenting on his recent surge in customers, he noted, "Back-to-school season was a success! I really appreciated the grant. It helped me get the store to where I wanted it to be."

CHARLES
Referred by MEDA

Thank you

to our generous donors

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Dwight Zscheile



Life Coaches help others reach their goals and overcome obstacles. RACHEL is passionate about helping others, and receiving a microgrant gave her the opportunity to pursue certification. She plans to complete her studies by the end of next year, and wants to open her own business as a Life Coach.

I am very thankful for this grant, and the impact it has on me and my family. I have already seen some amazing results in coaching others through their life journey.

RACHEL
Referred by HIRED

Meet our team

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FROM LEFT TO RIGHT

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Pam Kellenberger Business Director

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Charrisse Navarro Lights On! Operations Manger

Without the support of MicroGrants and Hired, I believe I would not be where I am today. I can happily and proudly say, I have not given up on my dreams. I still have so much to offer the world, and will not let my physical health concerns limit or stop me from pursuing my dreams. Thank you all.

SIMPSON

Referred by HIRED



After spending time recovering from three surgeries that limited his ability to work, SIMPSON wanted to return to college to pursue a Law Enforcement Degree. However, he did not know how to return, or how to pay for tuition. Working with a counselor at Hired, he applied for a MicroGrant.