

COMMUNITY DEVELOPMENT VENTURE CAPITAL ALLIANCE

NEW YORK, NEW YORK

The Community Development Venture Capital Alliance (CDVCA) is the association of community development venture capital (CDVC) funds. There are 74 CDVC funds in the United States, with \$2.2 billion under management. These funds provide patient, flexible, equity capital financing to businesses in low-income communities that provide high-quality employment to low-income people. CDVCA is also a Community Development Financial Institution (CDFI), managing \$84 million, which it invests both directly in businesses and in developmental venture capital funds. The CDFI Fund has provided a total of \$4.5 million of awards to CDVCA. These awards have played an important role in seeding and expanding CDVCA's investment programs.

Most net new job growth in the United States comes from approximately two to three percent of small businesses, known as high-impact firms. These rapidly growing firms are the target market of CDVCA and its members, which provide the kind of capital necessary to allow these firms to begin and expand operations. Venture capital equity financing is highly concentrated in the United States in just a few parts of the country. The financing that CDVCA and its members provide is a powerful force for the creation of good jobs in areas of the nation in which venture capital financing is virtually nonexistent.

In addition to its financing activities, CDVCA provides training and networking opportunities, best practices development, industry research, public policy and advocacy, and consulting services to funds for startup and operations. It also provides assistance directly to the portfolio companies of its members to help them to develop high-road employment practices that are both profitable to companies and beneficial to their employees, such as increasing savings and wealth-building opportunities, creating opportunities for training and job advancement, and increasing the number of employees covered by private health care insurance.



RYLA TELESERVICES

In 2005, using a CDFI Fund award, CDVCA invested \$100,000 in Ryla Teleservices, a African American-owned call center in Kennesaw, Georgia. While it had great potential, Ryla had yet to realize a profit.

Ryla's founder and president, Mr. Mark Wilson, strived to provide a high-quality environment for his employees. He paid a living wage and offered generous benefits packages in an industry with a reputation as a white-collar sweatshop. All of his call centers featured prominent signs that read, "The best job you'll ever have." Over the years, these practices built extraordinary employee loyalty, decreasing turnover and increasing both the quality of service and profitability of the company. Mr. Wilson received numerous awards for his "high road" management style.

CDVCA made four additional rounds of equity investment in Ryla over five years, totaling \$430,000. This helped the company expand at an extremely rapid pace. In fact, when CDVCA exited Ryla in 2010, more than doubling the value of its investment, the company had grown from 151 employees to over 3,000 employees in four call centers in Georgia and Alabama.

CONTACT

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CDVCA

BY THE NUMBERS

(2003 TO PRESENT)

- JOBS CREATED OR RETAINED: 6,500
- NUMBER OF BUSINESSES ASSISTED: 150
- TOTAL DOLLAR AMOUNT INVESTED: \$48M
- TOTAL DOLLAR AMOUNT LEVERAGED: \$65M
- CERTIFIED AS A CDFI IN 2000

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COALITION
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