Kentucky Highlands Investment Corporation

London, Kentucky

Kentucky Highlands Investment Corporation (KHIC) was founded in 1968 to create jobs and build wealth in a 22-county area of rural Appalachia in eastern Kentucky, a region known for its extreme economic distress and persistent poverty. These communities are frequently overlooked by traditional sources of business capital.

KHIC accomplishes its mission by providing small businesses with debt and equity investments—including subordinated loans, term loans for real estate, equipment, working capital, and revolving lines of credit—and management assistance—including business planning, financial modeling, and executive recruitment. Loan amounts range from $500 microloans to a complex financing, consisting of multiple loan products, totaling $10 million. KHIC is one of very few sources of equity financing in its service area.

To date, KHIC has been awarded $10.7 million from the CDFI Fund. This valuable source of capital has been instrumental in helping KHIC deliver financial products and management assistance to businesses in low-income and rural communities that have been disregarded by traditional lenders and investors.

Since 1968, KHIC has invested more than $275 million in over 633 businesses, including 209 agricultural-related businesses. On average, KHIC provides management assistance to 140 businesses and 15 economic and community development organizations each year. Over its 45-year history, KHIC has helped small businesses create more than 19,000 jobs for people living in an area where few quality employment opportunities exist. KHIC’s current $49.6 million business loan portfolio has over 360 loans and equity investments and has helped create or retain in excess of 11,600 jobs.

Outdoor Venture Corporation

Since 1972, Outdoor Venture Corporation has manufactured and supplied a wide range of products, including commercial and military tents, sleeping bags, and hunting products. The company is located in Stearns, Kentucky, a rural community in McCreary County, which has been classified by the U.S. Census Bureau as having persistent poverty. Because nearly 65 percent of the land in McCreary is owned by the federal government, there is very little land available for economic development.

KHIC has provided critical debt and equity financing to Outdoor Ventures several times since 1972. This includes working capital lines of credit, made possible by the capacity-building funds KHIC has received from the CDFI Fund.

With this financing, Outdoor Venture provides steady, living-wage jobs that support hundreds of families. Outdoor Venture has experienced significant growth over the years, expanding from 25 employees in its first year to over 180 employees today. In 1984, Outdoor Venture became a prime modular tent manufacturer and supplier to the U.S. Department of Defense (DOD). To date, Outdoor Venture has delivered more than $260 million in military tents and has received numerous awards for innovative design changes that have provided substantial savings to the U.S. government.