



CITY OF
**EAU
CLAIRE**

**Loan Program Insights Report
1991-2025**

Prepared by the City of Eau Claire Economic Development Division

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I. Executive Summary

Since the establishment of the Loan Administration Board in July 1991, the City of Eau Claire's loan programs have provided more than three decades of gap financing to local businesses—supporting hundreds of projects that span the city's evolving economy. These loans, from early multimillion-dollar industrial investments to today's targeted micro-loans and storefront improvements, reflect both the changing needs of Eau Claire, Wisconsin's business community and the long-term value of patient public capital.

The dataset reveals a clear evolution in program performance. In the 1990s and early 2000s, lending was concentrated in large manufacturing and real estate projects—investments that played an important historical role but carried higher risk and were vulnerable to national industrial decline. Many borrowers from this early era are no longer operating, a pattern consistent with broader economic shifts.

From the mid-2000s onward, the portfolio becomes more diversified and stable. Loan sizes generally decrease, sector representation broadens, and borrower survival rates rise sharply. The introduction of modern tools—particularly the Low Barrier Loan Fund and expanded Façade Loan programming—accelerates this transition. Though these programs represent a smaller share of total dollars loaned, they demonstrate exceptionally strong outcomes and have become some of the City's most effective instruments for supporting entrepreneurs, neighborhood retail and services, childcare providers, wellness and healthcare practices, hospitality ventures, and creative enterprises.

A key enhancement to this analysis is the inclusion of roughly ten years of verified private investment data. These figures confirm that City loans function as powerful catalysts: recent awards routinely leverage between 3-10x more in private financing. This indicates that what once operated primarily as safety-net or code-compliance financing has become a participant in substantial reinvestment across Eau Claire, unlocking tens of millions of dollars in private development and demonstrating a growing return on public investment.

Borrower sectoral patterns further underscore Eau Claire's ongoing economic transition. Manufacturing represents the largest historic share of loan dollars but shows the highest attrition among early-era borrowers. In contrast, recent lending has been strongest—and most successful—in healthcare, professional and technical services, hospitality, wellness, and creative industries. These shifts align with Eau Claire's broader demographic and workforce trends and reflect the city's move toward a more balanced, knowledge-driven, service-oriented economy.

Looking ahead, the data highlights several priorities for the City of Eau Claire Economic Development Division and Finance Department:

- Consider scaling micro-lending and low-barrier financing to continue supporting first-time entrepreneurs, neighborhood storefronts, childcare providers, and underserved groups—areas where recent programs show consistently strong performance.
- Shift toward prioritizing resilient, high-growth sectors such as healthcare, professional and technical services, and creative industries, which align closely with Eau Claire's workforce and exhibit strong survival.
- Modernize manufacturing support by focusing on advanced, clean, and innovation-driven firms rather than legacy industrial models with higher historical attrition.

- Continue deepening private-investment tracking to more fully measure public impact, as early data indicates the City’s multiplier effect is strong.

As Eau Claire, Wisconsin continues to grow and diversify, these insights and corresponding recommendations offer a roadmap for refining the City’s loan programs to meet emerging needs—strengthening small businesses, supporting strategic industries, and ensuring each public dollar continues to open doors to substantial private investment and long-term community benefit.

Exhibit A

Loan Portfolio Overview

Program	Total Loans	Total \$ Loaned	Median \$ Loaned
All Programs	181	\$10.9M	\$41K
City Revolving Loan Fund	97	\$8.5M	\$70K
Commercial Building Façade Loan Fund	35	\$750K	\$26K
Micro Loan Fund	28	\$691K	\$25K
EDA Revolving Loan Fund	12	\$820K	\$60K
Low Barrier Loan Fund	9	\$170K	\$25K

All totals are approximate based on available data. Sources: City of Eau Claire Finance Department, City of Eau Claire Loan Administration Board.

II. Year-by-Year Lending Highlights

The annual lending record from 1991 onward provides a clear, decade-by-decade view of how the City of Eau Claire’s economic development strategy has evolved. Rather than the dramatic peaks of the pre-1991 industrial era, the post-Board dataset shows a gradual transition from large, manufacturing-centered loans toward a more diverse, resilient mix of smaller awards that better reflect the city’s changing economy.

Industrial Foundation and Heavy Manufacturing Era (Early 1990s-Early 2000s)

In the years immediately following the establishment of the Loan Administration Board, lending activity centered on rebuilding Eau Claire’s manufacturing base in the wake of the Uniroyal closure. The City Revolving Loan Fund frequently supported six-figure expansions, equipment purchases, and real estate development tied to production and warehousing. Many of the largest loans in program history come from this period.

This era illustrates both the importance and risk of early program design. Manufacturing dominated total lending volume, reflecting the city’s economic structure at the time, but these large industrial bets also produced some of the portfolio’s highest long-term volatility—consistent with national trends in industrial restructuring.

Strategic Diversification and Transition (2000-2012)

As Eau Claire’s economy broadened into healthcare, professional services, and technology, lending activity became more varied. The early 2000s featured fewer large industrial awards and more mid-sized loans supporting office users, emerging tech firms, and real estate redevelopment.

By the onset of the Great Recession, annual loan totals had decreased—likely not due to a lack of business need, but because both public and private lenders exercised greater caution during this time. Several consecutive years of modest activity suggest a shift away from large, single-project investments toward a more incremental and risk-conscious approach.

A More Resilient, Entrepreneurial Lending Pattern (2013-Present)

Following the recession, Eau Claire’s lending stabilized into a steady pattern of smaller, sub-\$100,000 awards spanning retail, hospitality, wellness, childcare, creative industries, and professional services. This marks the City’s transition into a more entrepreneurial, corridor-focused lending strategy.

Two notable structural changes define this modern era as well:

- Growth of the Micro Loan and Façade Loan programs, which expanded access to capital for storefronts and neighborhood businesses while supporting corridor revitalization efforts.
- Introduction of the Low Barrier Loan Fund, beginning in 2023, which has rapidly gained traction (to the point that the funds have been exhausted just two years later) and shown strong early performance.

During this period, the City also began capturing verified private-investment data. These figures show significant leverage: many recent projects—particularly in manufacturing modernization, commercial building rehabs, and hospitality—were paired with \$135,000 to \$800,000 in private capital, with several exceeding \$1-2 million. This represents the strongest multiplier effect in the program’s history.

Implications

These year-by-year lending patterns highlight several important shifts in how the City of Eau Claire’s loan programs are being used and how they are functioning within the broader economic development ecosystem.

1. Lending Volume Is Rising, Signaling Strong and Widening Demand

Activity in the early 2020s marks a clear resurgence, with annual loan counts increasing to levels not seen since the early 1990s. This uptick suggests that local businesses—particularly startups and small enterprises—are increasingly relying on City loan programs as a key financing resource. Higher utilization reflects both economic conditions and improvements in program administration, outreach, and accessibility.

2. Loan Size Has Declined Over Time, Indicating a Shift in Program Purpose

While the 1990s were characterized by large, capital-intensive projects, contemporary lending is defined by smaller, more frequent loans. This shift indicates that the programs are now serving a broader set of entrepreneurs rather than concentrating dollars in a handful of major projects. The increased reach strengthens neighborhood vitality and supports more distributed economic impact.

3. The Portfolio Is Becoming More Resilient

Smaller loan sizes, combined with strengthened eligibility screening and technical assistance partnerships, have contributed to lower attrition in the modern loan portfolio—particularly for Micro Loans and Low Barrier Loans. This enhances fund stability and supports long-term program sustainability.

4. Confirmed Write-Offs Demonstrate Exceptionally Low Portfolio Risk

Verified general ledger records confirm only three loan write-offs across more than three decades of

lending, totaling approximately \$51,500. These isolated losses occurred in different decades and sectors and are confined to the City Revolving Loan Fund. No write-offs were identified in the Commercial Building Façade Loan Fund, Micro Loan Fund, EDA Revolving Loan Fund, and Low Barrier Loan Fund. This confirms that, even as lending volume has increased, the City’s loan programs have maintained strong capital preservation and prudent risk management.

5. Operational Improvements Have Streamlined the Lending Process

Recent changes to the City’s loan program facilitation made in August 2025—simplified applications, clearer supporting-material guidance, standardized intake steps, and strengthened preliminary review procedures—are meaningfully improving efficiency. These reforms have reduced the time staff spend preparing, reviewing, and shepherding applications, while also shortening the applicant’s overall lending timeline. The upward trend in annual loan volume in late 2025 (2 applications approved in January 2025 to July 2025 vs. 8 applications approved in August 2025 to December 2025) suggests that these improvements are directly contributing to faster processing, higher completion rates, and greater program accessibility.

6. Increased Lending Frequency Is Putting Pressure on Capital Capacity

Loan activity in recent years is approaching the threshold where available funds—especially in the Low Barrier Loan Fund and Revolving Loan Fund—are nearly fully deployed. Without new capital sources, the City risks having to turn away viable projects or slow down lending cycles. This trend underscores the need to explore reinvestment options, recapitalization strategies, or potential expansion of the loan pool.

7. Economic Development Strategy Has Evolved Alongside Lending Trends

The long-term movement from fewer high-dollar loans toward many smaller loans parallels the City’s strategic shift toward entrepreneurship support, infill revitalization, and neighborhood-scale investments. The loan programs are functioning more as economic mobility tools and less as large-project financing mechanisms, aligning with contemporary best practices in municipal economic development.

8. Lending Trends Reflect Broader Economic Cycles and Recovery Efforts

Periods of higher utilization correspond to economic recovery phases and moments of increased business formation, such as the post-2020 environment. The recent surge therefore reflects both macroeconomic trends and local program improvements, reinforcing the importance of maintaining flexible, responsive loan tools.

Exhibit B

Total Loans By Decade

Decade	Year	Total Loans	Total \$ Loaned	Total \$ Loaned
1990s	1991	7	\$1,161,525	\$4,533,595
	1992	4	\$219,000	
	1993	10	\$631,350	
	1994	14	\$627,320	
	1995	6	\$63,500	
	1996	3	\$300,000	

	1997	8	\$531,100	
	1998	7	\$849,800	
	1999	1	\$150,000	
2000s	2000	3	\$112,000	\$2,337,800
	2001	3	\$205,000	
	2002	4	\$402,000	
	2003	0	No loans recorded	
	2004	4	\$381,800	
	2005	3	\$62,000	
	2006	3	\$272,000	
	2007	5	\$585,000	
	2008	3	\$268,000	
	2009	1	\$50,000	
2010s	2010	5	\$140,000	\$1,907,550
	2011	6	\$195,500	
	2012	6	\$251,000	
	2013	7	\$202,000	
	2014	5	\$214,050	
	2015	2	\$265,000	
	2016	2	\$55,000	
	2017	2	\$185,000	
	2018	3	\$180,000	
	2019	4	\$220,000	
2020s	2020	5	\$218,000	\$2,161,300
	2021	9	\$555,000	
	2022	5	\$200,000	
	2023	12	\$301,000	
	2024	9	\$327,300	
	2025	10	\$560,000	

All totals are approximate based on available data. Sources: City of Eau Claire Finance Department, City of Eau Claire Loan Administration Board.

III. Key Patterns

The City's lending history reveals several structural shifts in Eau Claire's economy and highlights the ways these loan programs have adapted to support a more resilient and diversified local business landscape.

A Shift From Manufacturing Dependence to a More Diverse, Service-Oriented Economy

In the 1990s and early 2000s, the City Revolving Loan Fund focused heavily on manufacturing and industrial projects—often large awards tied to equipment financing, production lines expansion, and so on. These loans represented the bulk of total dollars deployed during the program's early years but, as already noted, also carried high long-term volatility.

Over the past decade, lending activity has broadened significantly. Healthcare, childcare, professional and technical services, hospitality, wellness, creative industries, and neighborhood retail now make up a growing share of new awards.

Modern Borrowers Show Substantially Higher Business Survival

Loans issued after 2010 exhibit markedly better outcomes thus far. This improvement corresponds with a more balanced sector mix, refined underwriting practices, stronger resource partnerships, and the maturing of Eau Claire’s entrepreneurial ecosystem. The result is a portfolio with a lower overall risk profile and stronger continuity among recent borrowers.

Micro Loans and Low Barrier Capital Provide Outsized Value

Although representing a small percentage of total dollars, Micro Loans and Low Barrier Loans consistently deliver high-impact results. Typical awards of \$15,00-\$25,000 help cover essential buildout or launch costs—often the final hurdle preventing a new business from opening. These programs show exceptionally strong survival to date and play a central role in supporting first-time entrepreneurs, corridor storefronts, childcare providers, and creative ventures.

Modern Loans Trigger Significantly Higher Private Investment

Verified private-investment data shows that Eau Claire’s loan programs now function as powerful catalysts alongside other financing options. Many recent loans—especially in manufacturing expansions, commercial rehabs, and hospitality projects—are paired with many times over the borrowed amount. This multiplier effect indicates a shift from direct, full-project financing toward strategic gap financing that unlocks substantially larger private commitments.

Repeat Borrowers Reflect a Long-Term Growth Model

Several businesses appear multiple times in the portfolio, returning for additional financing as they expand facilities, add employees, or scale operations. These cases illustrate the value of a flexible system where businesses can progress from small startup loans to larger revolving loan fund support as their capital needs grow.

Façade Loans Deliver Visible Corridor and Downtown Improvements

Façade Loans—while modest in size—have produced tangible enhancements along downtown streets and commercial corridors. Improved storefronts, signage, and building exteriors contribute to neighborhood vitality and frequently stimulate additional private investment. Their consistent survival rates and corridor-wide impact make them one of the City’s most effective placemaking tools.

A Fully Modernized, Community-Centered Lending Ecosystem

Taken together, the data shows a program that has evolved from large industrial underwriting to a more accessible, diversified, and community-focused lending portfolio. Today’s loans are smaller, more numerous, more resilient, and more effective at attracting private capital.

IV. Sector Insights

The loan portfolio offers a clear view of how Eau Claire, Wisconsin’s economic structure has changed over the past three decades and where public lending has generated the strongest, most durable returns. Each sector shows a distinct pattern of demand, risk, and private investment.

Manufacturing – Largest Historical Investment, Strong Modern Performance

Manufacturing accounts for the largest share of total loan dollars deployed since 1991, with more than \$3 million invested across plastics producers, fabricators, and specialty industrial firms. Early-era

borrowers—particularly those funded before 2010—experienced higher closure rates, reflecting national industrial restructuring and the volatility of legacy production models. However, recent manufacturing borrowers show significantly better performance, with many projects leveraging \$500,000-\$1.2 million in private capital. These outcomes suggest that while traditional manufacturing declined, advanced, niche, and innovation-driven manufacturers remain strong candidates for strategic lending.

Real Estate Rental and Leasing – Stable Outcomes and High Private Leverage

Real estate-related loans have been among the portfolio’s most consistently successful investments. These projects often involve downtown building rehabilitation, mixed-use redevelopment, and commercial property improvements—activities that directly influence tax-base growth and corridor revitalization. Survival rates in this sector are among the highest in the dataset, and private investment frequently reaches six- or seven-figure levels, making real estate one of Eau Claire’s most reliable engines for catalytic redevelopment.

Retail Trade – Small Loans with Visible Neighborhood Impact

Retail borrowers represent dozens of loans across the Micro, Low Barrier, Façade, and EDA programs. Retail naturally experiences higher turnover, particularly among older loans, but more recent recipients—especially those assisted through Façade and Low Barrier programs—show stronger continuity and contribute noticeably to corridor vitality. These investments also typically coincide with improvements in signage, storefronts, and foot traffic, enhancing both economic activity and neighborhood identity.

Accommodation and Food Services – Growing Demand with Strong Recent Survival

Restaurants, cafés, breweries, and food-based entrepreneurs make up a growing share of lending since the 2010s. Despite being nationally characterized as high-risk, recent Eau Claire borrowers in this sector demonstrate unusually strong survival, with several projects leveraging \$300,000-\$500,000 in private capital. These businesses play a significant role in placemaking, downtown activity, and tourism, and they frequently anchor revitalization of commercial nodes.

Professional, Scientific, and Technical Services – A Fast-Growing, High-Stability Sector

Professional and technical services—including engineering firms, consultancies, design studios, therapy practices, and specialized service providers—have grown sharply in loan representation since 2010. These firms show high survival and steady private investment, reflecting Eau Claire’s increasing orientation toward knowledge-based and remote-enabled work. The sector aligns closely with local workforce strengths and the city’s entrepreneurial base as well.

Health Care and Social Assistance – Highest Survival and Strong Community Impact

Loans supporting clinics, therapy and wellness practices, senior services, and childcare centers demonstrate some of the highest survival rates in the entire portfolio. Many projects have also leveraged substantial private contributions, particularly in childcare and wellness facilities. This sector provides some of the City’s most dependable returns—both economically and in meeting critical community needs.

Arts, Entertainment, and Recreation – Small but Increasingly Influential

Borrowers in this category include fitness studios, recreation venues, event spaces, and creative organizations. While representing a smaller share of total loans, recent recipients show strong survival and considerable private leverage. Their contributions reinforce Eau Claire’s cultural identity and support a vibrant local experience economy.

Transportation and Warehousing – Historic Presence, Limited Recent Activity

This sector is represented primarily by early-2000s trucking, courier, and logistics firms. These

borrowers show moderate survival and lower private leverage compared to other categories. As Eau Claire’s economy has shifted toward services, wellness, creative, and professional sectors and available industrial land grows increasingly scarce, lending activity in transportation and warehousing has naturally tapered.

Exhibit C

Total Loans By Sector

Sector	Total Loans	Total \$	Notes
Manufacturing	46	\$3.3M	Historically received many of the largest early RLF awards, especially during the 1990s-2000s. Outcomes vary widely: older industrial borrowers show high attrition, while modern advanced manufacturers (post-2010) demonstrate much stronger performance and significant private leverage.
Real Estate Rental and Leasing	29	\$2.3M	A steady performer with high survival rates. Loans primarily supported downtown rehabilitations, mixed-use buildings, and commercial property improvements—often accompanied by substantial private investment.
Accommodation and Food Services	23	\$1.3M	Restaurants, cafés, and small hospitality ventures. Though the sector can be volatile nationally, Eau Claire’s borrowers in the past decade show unusually strong survival and frequent high private match—especially tied to corridor revitalization.
Professional, Scientific, and Technical Services	17	\$730.5K	Includes engineering firms, design studios, consultancies, wellness/therapy practices, and modern service providers. While the sector contains a few early tech experiments from the 1990s, most activity occurs post-2010 with strong survival and stable growth.
Health Care and Social Assistance	14	\$671.1K	Almost entirely composed of recent loans. Includes clinics, wellness providers, therapy practices, childcare centers, and senior services—one of the highest-performing, lowest-risk groups in the modern portfolio.

Wholesale Trade	5	\$610K	Primarily distribution and supply companies. Loans often supported equipment, inventory systems, or facility improvements. Survival rates are moderate but stable.
Retail Trade	15	\$440K	Mix of downtown shops, specialty retailers, and small neighborhood businesses. Older retail loans show turnover, but recent Low Barrier and façade-supported retailers exhibit strong survival and visible corridor impact.
Administrative and Support Services	3	\$385K	Includes waste services, a call center, and business-support operations. Small sample size with varied outcomes, but generally stable performance.
Information	4	\$313.4K	Mostly early software and data firms from the 1990s/early 2000s. Limited recent activity indicates a potential sector gap despite local workforce strengths.
Other Services	11	\$295.6K	Salons, repair shops, garages, and specialty personal-service businesses. Strong alignment with micro-lending and consistently high survival in recent years.
Arts, Entertainment, and Recreation	5	\$195K	Fitness studios, recreation centers, and creative organizations. Modest loan sizes but strong alignment with Eau Claire’s cultural identity; recent borrowers show strong stability and community impact.
Transportation and Warehousing	4	\$156.7K	Primarily trucking and logistics firms from the early dataset. Few recent loans, reflecting broader economic shifts from traditional freight toward tech-enabled logistics and last-mile delivery.
Finance and Insurance	3	\$127.5K	Targeted financing for specialty financial-service firms. Small sector presence but generally stable outcomes.
Construction	1	\$5.5K	Only one recorded loan in this period; sector appears to rely more on conventional financing than City loan programs.

All totals are approximate based on available data. Sources: City of Eau Claire Finance Department, City of Eau Claire Loan Administration Board.

V. Attrition and Outcomes

Historical loan data shows a clear shift in business outcomes over time: earlier loans carry considerably higher attrition, while modern lending programs demonstrate strong survival and lower overall risk, although some programs are too new to fully quantify.

Early-Era Outcomes (1990s-Early 2000s)

Borrowers from the program’s first decade—especially those in manufacturing and legacy industrial sectors—show the highest rate of business closure. This pattern reflects both the volatility of large industrial projects and broader national restructuring during that period. These years also contain many of the portfolio’s largest loans, which concentrated risk and contributed to long-term variability in outcomes.

Improved Performance After 2010

Outcomes change markedly beginning around 2010. Borrowers from the last 10-15 years show substantially higher survival rates, often with attrition between 0% and 20%. The shift results in a markedly lower-risk lending environment compared to the program’s early years. This improvement also aligns with:

- smaller, more targeted loan sizes,
- more balanced sector representation,
- stronger partnerships with technical assistance providers, and
- a more resilient local economy.

Program-Level Patterns

Low Barrier Loans and Façade Loans show near-perfect survival, reinforcing that small, well-timed investments are both low-risk and highly stabilizing for small businesses.

Micro Loans consistently support businesses through critical startup or expansion periods, with strong long-term continuity.

Modern RLF borrowers (post-2010) exhibit notably stronger survival than earlier RLF recipients, especially those in service-oriented sectors.

Manufacturing, while still capable of generating high private leverage, remains the sector with the highest historical attrition—almost entirely concentrated in older, pre-2010 awards.

Overall Outcome Pattern

Across the full dataset, the trend is clear: the City of Eau Claire’s loan programs have evolved into a more stable, diversified, and lower-risk portfolio. Modern loans not only outperform older awards in business survival but also contribute to rising private leverage—demonstrating a maturing lending ecosystem that produces stronger, more dependable returns for the community.

Exhibit D

Attrition By Program

Program	Total Loans	No Longer Operating	Notes
City Revolving Loan Fund	97	41%	The oldest program in the dataset with loans spanning more than 30 years. Many early borrowers were capital-intensive manufacturers or industrial firms—sectors with higher long-term volatility. More recent RLF loans (post-2010) show

			significantly stronger survival, reflecting the program’s evolution toward smaller, more diversified, service-oriented projects.
Commercial Building Façade Loan Fund	35	26%	Façade Loans support physical building improvements rather than specific tenants. Attrition largely reflects normal business turnover in commercial districts, not the failure of the underlying property investment. Most improved buildings continue to be re-tenanted and occupy active commercial space.
Micro Loan Fund	28	21%	Micro Loans typically support new entrepreneurs, small storefronts, and early-stage service providers—business types that carry higher natural turnover. Yet the program’s survival rate exceeds typical national benchmarks for micro-enterprise lending, indicating strong local demand and effective deployment.
EDA Revolving Loan Fund	12	0%	A relatively new portfolio (primarily post-2019) focused on downtown redevelopment, food-based businesses, and creative/experience-sector firms. All borrowers remain active, though the limited time horizon means long-term attrition cannot yet be assessed.
Low Barrier Loan Fund	9	0%	Launched in 2023, this program provides very small, flexible loans to entrepreneurs and neighborhood businesses. Early outcomes show excellent stability, but the program is too new to draw definitive long-term conclusions. Patterns align closely with Micro Loan success.

All totals are approximate based on available data. Sources: City of Eau Claire Finance Department, City of Eau Claire Loan Administration Board.

Exhibit E

Attrition By Sector

Sector	Total Loans	No Longer Operating	Notes
Manufacturing	46	37%	Higher attrition reflects the volatility of early industrial and fabrication firms in the 1990s–2000s. More recent

			manufacturers—often smaller, niche, or advanced producers—show significantly stronger survival and generate some of the highest private-investment matches.
Real Estate Rental and Leasing	29	24%	Most projects involve property improvements rather than operating businesses. Attrition largely reflects ownership turnover or legal entity changes, not failed properties. The underlying buildings typically remain active commercial or mixed-use assets.
Accommodation and Food Services	23	13%	Despite the sector’s national risk profile, Eau Claire’s borrowers—especially those funded after 2015—show strong survival, driven by local demand, corridor reinvestment, and targeted Micro/Low Barrier support.
Professional, Scientific, and Technical Services	17	35%	Early 1990s–2000s consulting and tech ventures show moderate attrition, but post-2010 entrants (design, wellness, therapy, engineering, creative services) exhibit high stability and align well with modern workforce strengths.
Health Care and Social Assistance	14	14%	One of the most resilient sectors in the portfolio. Includes clinics, therapy practices, childcare centers, and wellness businesses—nearly all of which remain active in the modern dataset.
Wholesale Trade	5	40%	Small sector with mixed outcomes. Older distribution and supply companies show some turnover, but sample size limits broad conclusions.
Retail Trade	15	33%	Turnover reflects normal retail dynamics, especially in the early dataset. Nearly all post-2010 recipients—especially those supported through Low Barrier and Façade programs—remain active and contribute to corridor vitality.
Administrative and Support Services	3	0%	Small but stable set of borrowers, including business-support and service firms with steady ongoing operations. Too few cases for long-term sector-wide conclusions.
Information	4	75%	Primarily early software/data firms from the 1990s and early 2000s—a sector historically prone to rapid technological turnover. Minimal recent lending

			suggests untapped opportunity rather than persistent risk.
Other Services	11	36%	Includes salons, repair shops, garages, and specialty personal services. Earlier loans show typical small-business churn; recent borrowers supported by micro-lending tools display stronger survival.
Arts, Entertainment, and Recreation	5	20%	Recreation, fitness, and creative organizations show relatively strong stability given small sample size. These borrowers align with Eau Claire’s cultural identity and corridor-based revitalization.
Transportation and Warehousing	4	25%	Mostly earlier-era logistics and trucking firms. Limited recent activity reflects broader shifts in the industry rather than specific loan-program risk.
Finance and Insurance	3	33%	Very small sample; attrition reflects changes in firm structure or consolidation more than sector instability.
Construction	1	100%	Only one project in this category; insufficient sample size to infer sector trends.

All totals are approximate based on available data. Sources: City of Eau Claire Finance Department, City of Eau Claire Loan Administration Board.

VI. Risk and Exposure

Loan portfolio risk was evaluated through a review of historical loan servicing and general ledger records maintained by the City of Eau Claire Finance Department. Due to the age and format of legacy records, repayment performance was assessed at the portfolio level rather than through standardized borrower-level delinquency histories. This analysis therefore focuses on confirmed loan defaults, write-offs, and broader risk patterns rather than missed payment counts.

Observed Defaults and Write-Offs (1991-2025)

Across more than three decades of lending activity, the City of Eau Claire’s loan portfolio has experienced only three confirmed loan defaults, resulting in approximately \$51,500 in total write-offs. These defaults occurred in three different decades and span three distinct sectors, underscoring that realized loan losses have been isolated events rather than a recurring or concentrated pattern within any single program or industry.

One default occurred in the manufacturing sector during the early years of the loan programs. This project involved a small-scale food production operation located in a neighborhood commercial corridor. The write-off amount was modest and reflects the broader volatility of small manufacturing and production businesses during a period when underwriting standards, sector diversification, and technical assistance infrastructure were still developing.

A second default occurred within the information and technology sector in the 2010s. This loan supported an early-stage financial technology venture operating in a rapidly evolving SaaS marketplace.

In this case, the loan default resulted from a personal bankruptcy filed by the company’s former Chief Executive Officer, in which the City was one of several creditors, rather than from the dissolution of the underlying business itself. This outcome aligns with national patterns for early fintech and software startups during that period, which often faced heightened financial complexity due to market consolidation, regulatory pressures, and rapid technological change. This default represents the largest single write-off in the dataset and reflects the higher uncertainty associated with innovation-driven ventures rather than a systemic weakness in the City’s loan programs.

The most recent default occurred in the real estate and accommodation-related sector during the early 2020s and involved the adaptive reuse of an existing commercial property into a restaurant and event venue. Despite substantial reinvestment and a period of active operation, the business closed after just over two years. This outcome reflects the inherent risk associated with hospitality and redevelopment projects—particularly those launched during periods of economic disruption—rather than deficiencies in program design or underwriting.

Risk Analysis and Portfolio Implications

Taken together, these three defaults represent less than 2% of all loans issued since 1991 and account for a fraction of 1% of total dollars deployed. Importantly, no program has experienced repeated or clustered defaults, and no defaults have occurred within the Commercial Building Façade Loan Fund, Micro Loan Fund, EDA Revolving Loan Fund, or Low Barrier Loan Fund. All recorded losses are confined to the City Revolving Loan Fund, which spans the longest time horizon and includes the portfolio’s largest historical loans.

The temporal distribution of defaults further reinforces the conclusion that portfolio risk has declined over time. Each default occurred in a different decade, with no evidence of increasing frequency. In fact, the most recent decade—despite significantly higher loan volume—has produced only one default, and that loss was relatively small relative to total lending activity. This trend aligns with other findings in the report: modern lending is characterized by smaller loan sizes, broader sector diversification, stronger private leverage, and improved business survival.

From a policy perspective, the default history supports a central conclusion of this analysis: the City’s loan programs have demonstrated exceptional long-term capital preservation while remaining flexible and responsive to evolving economic conditions. The limited number of write-offs suggests that risk is being managed effectively even as programs expand access to first-time entrepreneurs, creative ventures, and non-traditional borrowers. Rather than signaling a need for retrenchment, the data supports continued—and potentially expanded—use of these tools, paired with ongoing monitoring and targeted sector strategies.

Exhibit F

Risk Indicators By Program

Program	Total Defaults	Total \$ Written Off
All Programs	3	\$51,543
Micro Loan Fund	0	\$0
City Revolving Loan Fund	3	\$51,543
EDA Revolving Loan Fund	0	\$0

Commercial Building Façade Loan Fund	0	\$0
Low Barrier Loan Fund	0	\$0

All totals are approximate based on available data. Source: City of Eau Claire Finance Department.

Exhibit G

Risk Indicators By Decade

Decade	Total Defaults	Total \$ Written Off
All Decades	3	\$51,543
1990s	1	\$1,225
2000s	0	\$0
2010s	1	\$44,050
2020s	1	\$6,268

All totals are approximate based on available data. Source: City of Eau Claire Finance Department.

Exhibit H

Risk Indicators By Sector

Sector	Total Defaults	Total \$ Written Off
All Sectors	3	\$51,543
Manufacturing	1	\$1,225
Real Estate Rental and Leasing	1	\$6,268
Accommodation and Food Services	0	\$0
Professional, Scientific, and Technical Services	0	\$0
Health Care and Social Assistance	0	\$0
Wholesale Trade	0	\$0
Retail Trade	0	\$0
Administrative and Support Services	0	\$0
Information	1	\$44,050
Other Services	0	\$0
Arts, Entertainment, and Recreation	0	\$0
Transportation and Warehousing	0	\$0
Finance and Insurance	0	\$0
Construction	0	\$0

All totals are approximate based on available data. Source: City of Eau Claire Finance Department.

VII. Geographic Distribution

Geographic locations were available for most applicants and show the distribution of loan recipients across four City-administered business loan programs—the City Revolving Loan Fund, EDA Revolving Loan Fund, Micro Loan Fund, and Low Barrier Loan Fund. A review of this data helps to identify spatial patterns, concentrations, and differences in program reach and highlights how each program supports distinct types of businesses and economic geographies, from industrial employment centers and commercial corridors to neighborhood storefronts and the downtown core. Together, these patterns illustrate how the City’s loan portfolio aligns with land use, business scale, and broader economic development objectives.

Exhibit I

Geographic Distribution By Program

Program	Primary Geography	Business Scale	Access Method	Typical Draw
City Revolving Loan Fund	Industrial Corridors	Large Employers	Freight, Workforce	Local Employment
EDA Revolving Loan Fund	Arterial Corridors	Regional Destinations	Vehicle Access	Regional Market
Micro Loan Fund	Walkable Nodes	Small Storefronts	Foot Traffic	Neighborhood Customers
Low Barrier Loan Fund	Downtown, Mixed-Use Areas	Micro, Start-Ups	Foot Traffic, Visibility	Local Walk-In Customers, Community Networks

Analysis is approximate based on available data. Sources: City of Eau Claire Finance Department, State of Wisconsin Department of Financial Institutions, Esri ArcGIS Business Analyst.

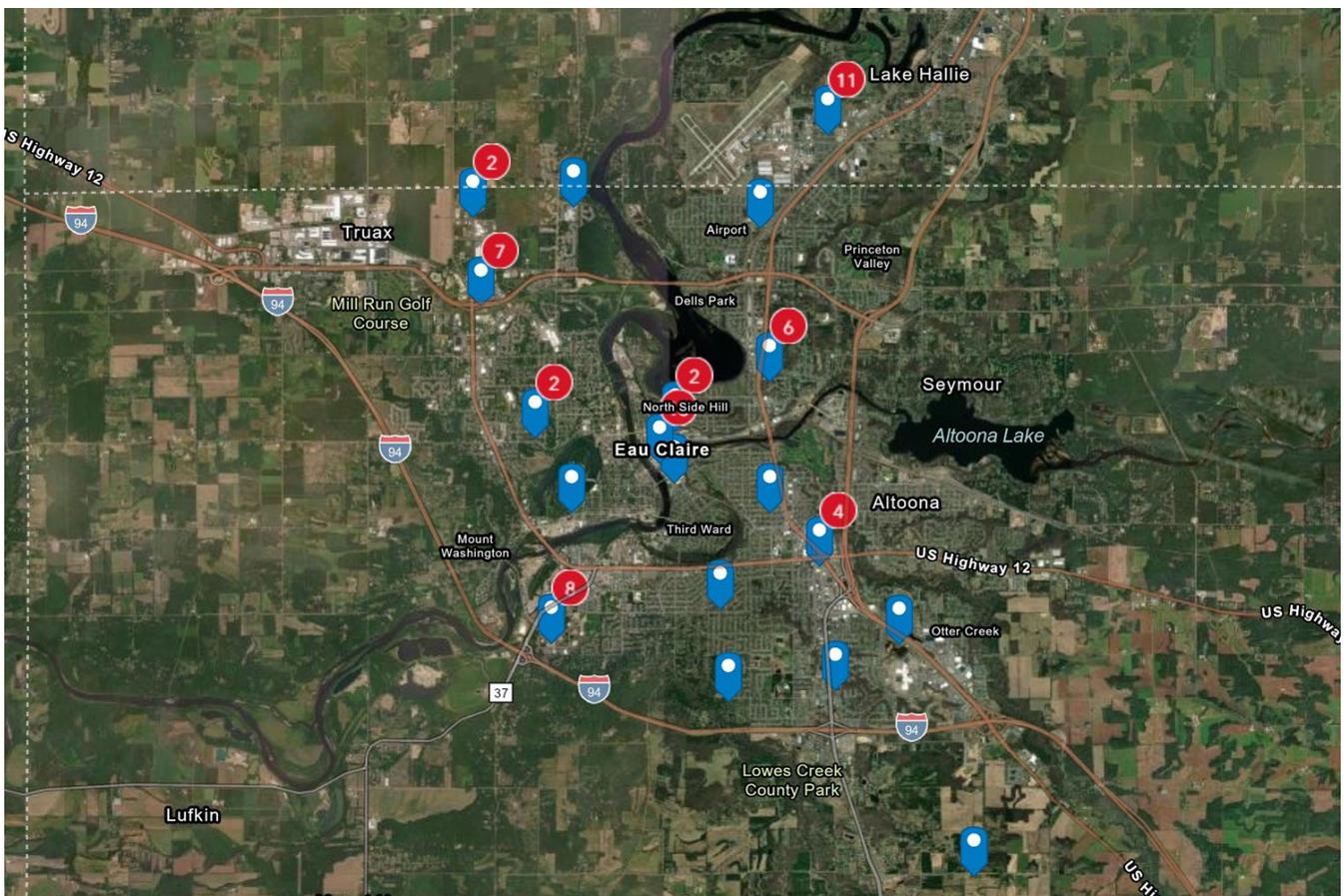
Program-Specific Geographic Patterns

The City Revolving Loan Fund is geographically concentrated in Eau Claire’s established employment areas, including industrial parks, manufacturing corridors, and highway-accessible commercial districts. Recipients are commonly located along corridors such as International Drive, Truax Boulevard, Alpine Road, and Anderson Drive. This pattern reflects the program’s historic role as a capital-intensive tool focused on business retention, expansion, and job creation for mid- to large-scale employers. Downtown locations appear less frequently and tend to involve office-based or mixed-use investments rather than storefront businesses.

Exhibit J

Geographic Distribution By Program

City Revolving Loan Fund

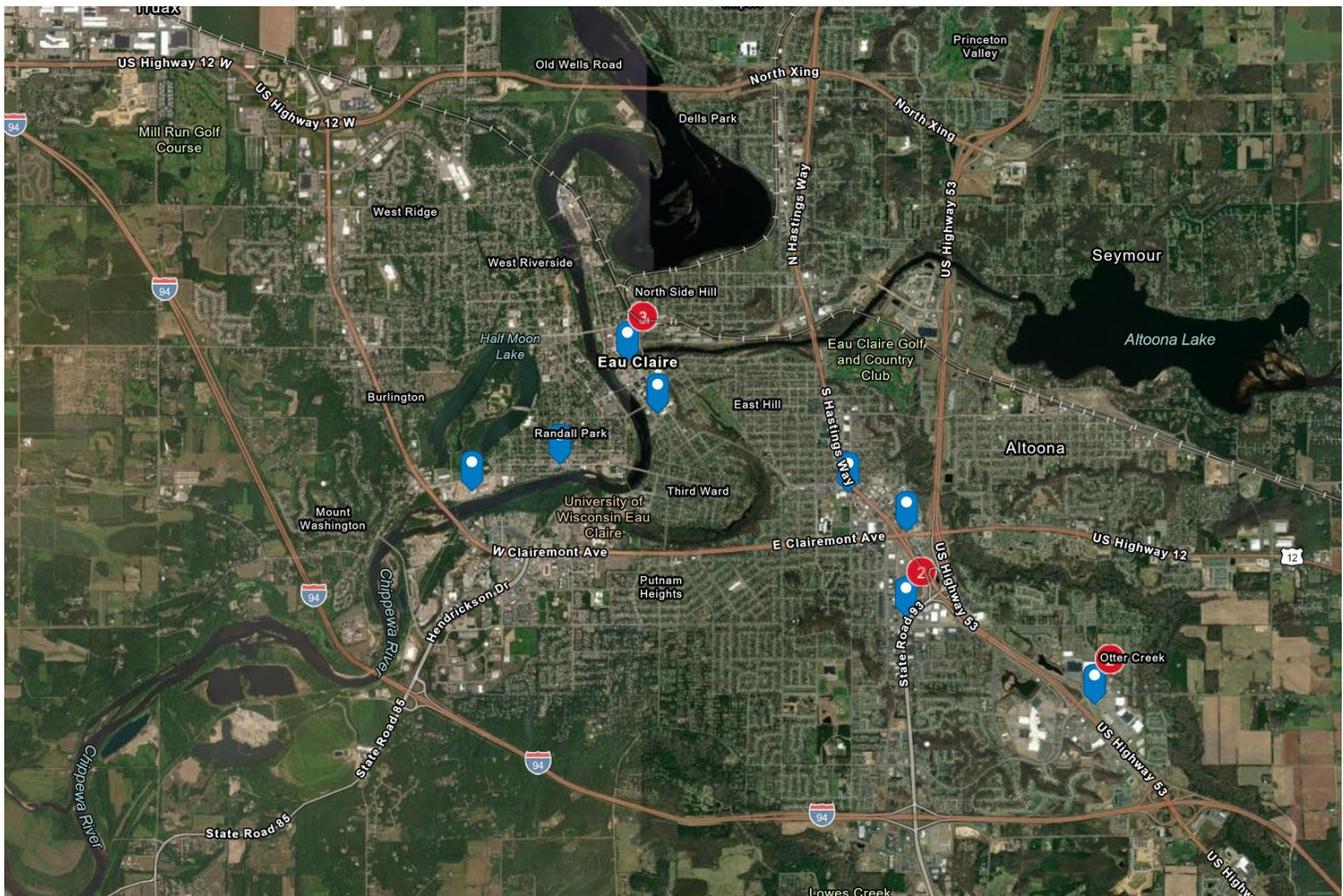


Source: Esri ArcGIS Business Analyst.

The EDA Revolving Loan Fund occupies a distinct middle geography between the City Revolving Loan Fund and smaller-scale programs. EDA loans are concentrated along major arterial corridors and destination sites, including Clairemont Avenue, Mall Drive, Brackett Avenue, Gibson Street, and Gateway Drive. These locations support businesses that rely on regional visibility, vehicle access, and higher customer volumes, particularly in food service, entertainment, and destination retail. A smaller subset of loans appears near the downtown edge, supporting catalytic projects tied to tourism, events, and regional visitation.

Exhibit K

Geographic Distribution By Program EDA Revolving Loan Fund



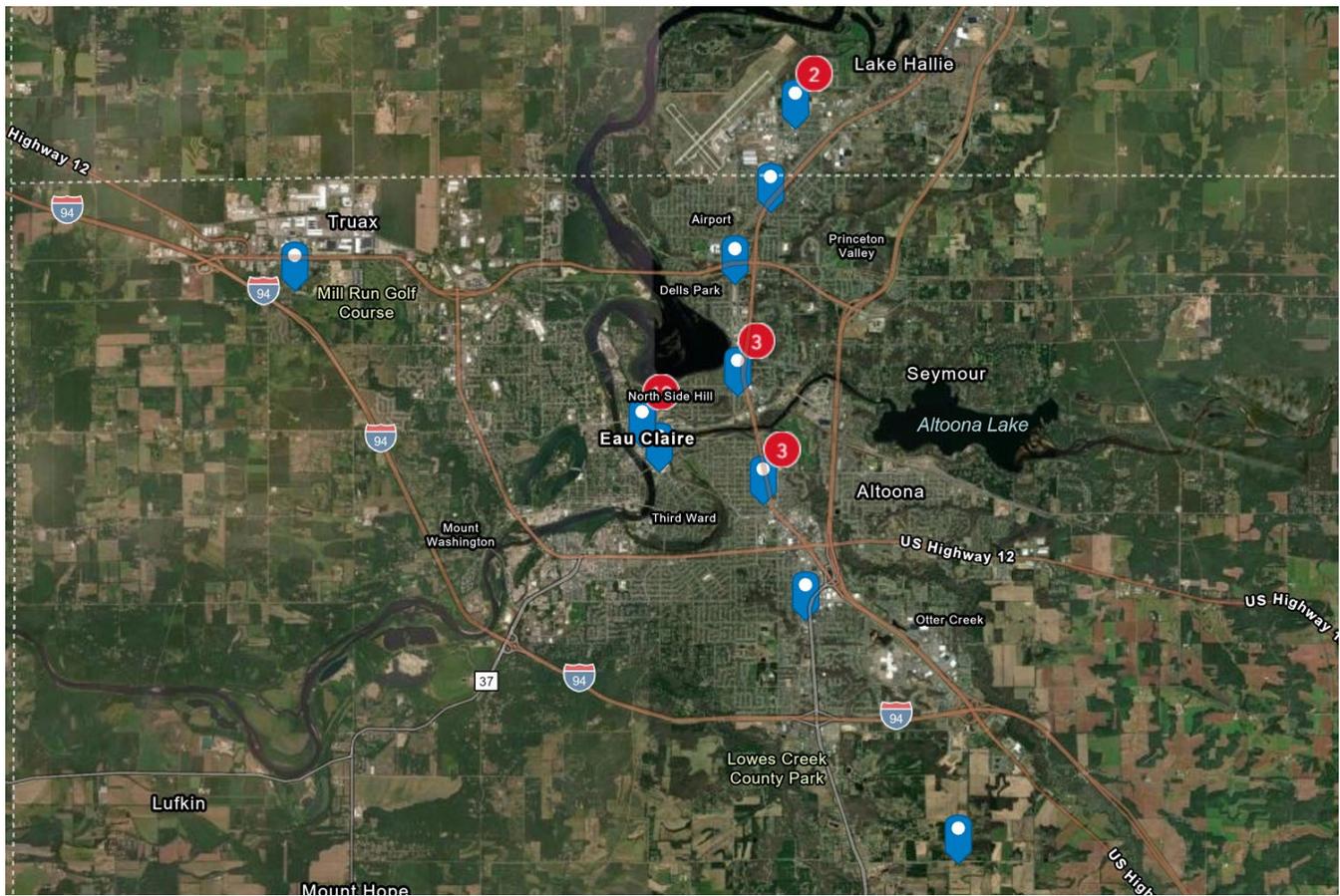
Source: Esri ArcGIS Business Analyst.

The Micro Loan Fund is heavily clustered in walkable commercial areas, particularly in and around downtown Eau Claire and along neighborhood-serving corridors. Recipients are commonly located on or near Barstow Street, Water Street, Riverfront Terrace, Birch Street, and other mixed-use or residential-adjacent corridors. These businesses are also typically retail, food service, wellness, or personal service establishments that depend on foot traffic, visibility, and proximity to customers. The geographic pattern indicates that the Micro Loan Fund plays a key role in small business formation and neighborhood commercial stability.

Exhibit L

Geographic Distribution By Program

Micro Loan Fund

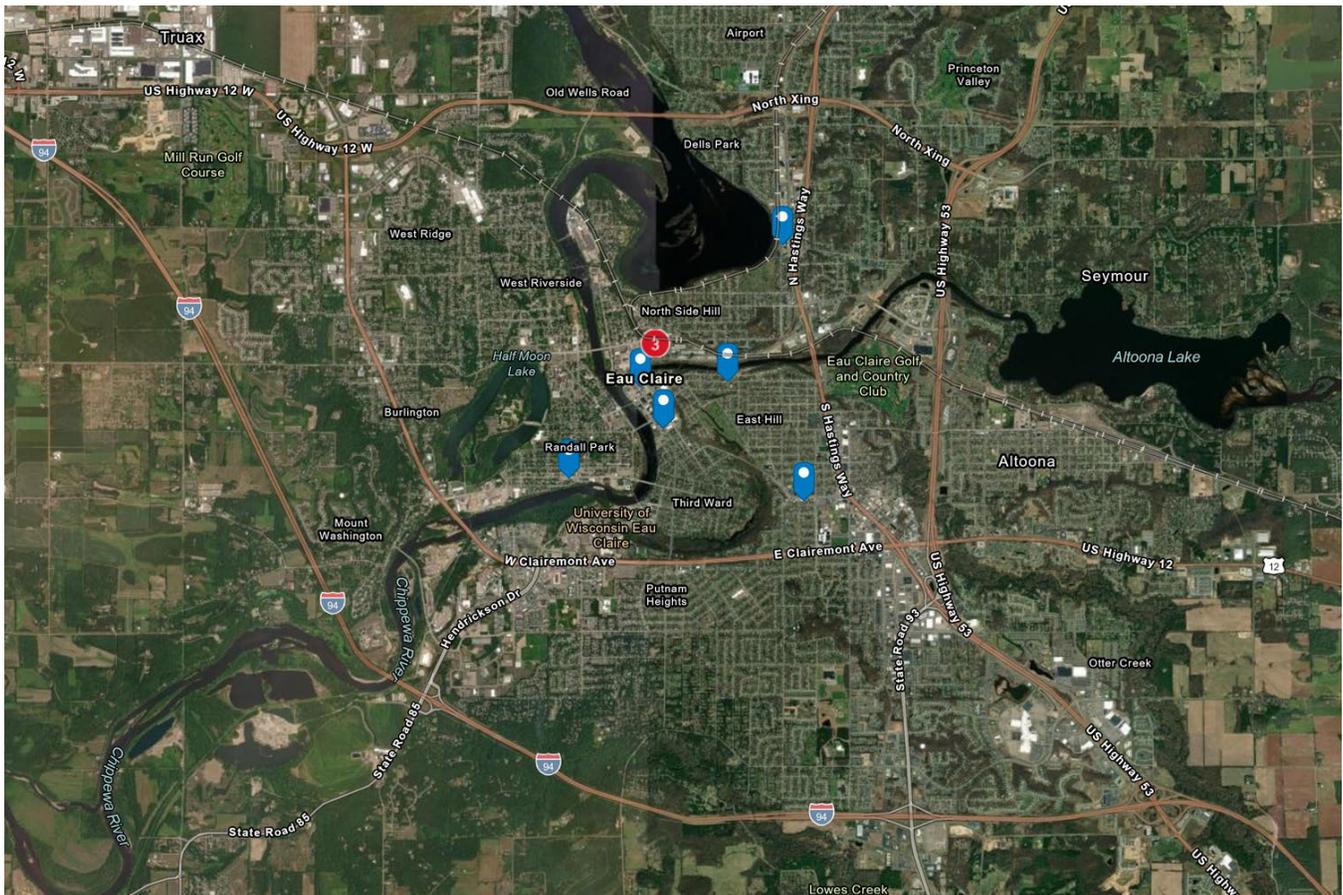


Source: Esri ArcGIS Business Analyst.

The Low Barrier Loan Fund demonstrates the most compact and place-specific geographic footprint of all programs. Nearly all recipients are located within the downtown core or immediately adjacent walkable corridors, including Main Street, Water Street, Farwell Street, and South Barstow Street. These businesses are very small, customer-facing enterprises with minimal capital needs and a strong reliance on accessibility, visibility, and informal support networks. The tight clustering reflects the program’s design intent to reduce barriers to entry for first-time entrepreneurs and support downtown activation.

Exhibit M

Geographic Distribution By Program Low Barrier Loan Fund



Source: Esri ArcGIS Business Analyst.

Cross-Program Geographic Patterns

Viewed together, the four loan programs reveal a highly complementary geographic structure rather than overlapping or redundant investment patterns. Each program aligns with a distinct economic geography within the city: the City Revolving Loan Fund supports industrial and employment centers; the EDA Revolving Loan Fund targets major commercial corridors and destination sites; the Micro Loan Fund focuses on walkable neighborhood and downtown corridors; and the Low Barrier Loan Fund concentrates almost exclusively in the downtown core. Collectively, the programs provide broad geographic coverage while remaining appropriately specialized.

The geographic distribution also suggests an informal progression or “ladder” of business support across programs. Early-stage and micro-entrepreneurs tend to cluster downtown and in neighborhood corridors through the Low Barrier and Micro Loan programs, while more established businesses with larger space and capital needs appear along arterial corridors or in employment districts through the EDA and City Revolving Loan Funds. While not formally structured as a progression, this pattern indicates that the loan portfolio functions as a graduated system of support aligned with business growth and location needs.

Importantly, the most accessible and lowest-barrier programs are geographically concentrated where small business support systems, transit access, and lower-overhead spaces are most available. This reinforces the role of place in advancing equity and access objectives. By contrast, larger loan programs are intentionally oriented toward locations capable of supporting higher employment density, infrastructure needs, and regional economic impact.

Strategic Implications

The geographic analysis indicates that the City’s loan programs are already operating as place-based tools, even when geography is not explicitly stated as an eligibility criterion. Clarifying and formalizing the “best-fit” geography for each program would improve intake efficiency, applicant understanding, and program outcomes. Mapping and communicating these patterns can also strengthen annual reporting, demonstrate alignment with planning and redevelopment goals, and provide a clearer narrative for policymakers and funding partners.

Separately, the Commercial Building Façade Loan Program should continue to be evaluated as a property-based placemaking tool rather than a business-location program. Its impacts are best measured by corridor revitalization, visual improvements, and district-level outcomes rather than by applicant address.

VIII. Private Investment Leveraged

Over roughly the last decade of lending activity, the City has tracked verified private investment data. These records show that Eau Claire’s loan programs are consistently paired with far more private capital than previously estimated—often surpassing traditional national benchmarks for revolving loan funds.

Across all programs with reported match data, the City’s contributions were accompanied by approximately \$2.2-\$3.0 million in documented private investment in the subset of projects where data was available.

Program-by-program patterns highlight the strength of Eau Claire’s leverage:

- **City Revolving Loan Fund:** Recent borrowers generated an average of \$805,000 in private investment per loan, with multiple projects exceeding \$1-2 million.
- **Low Barrier and Micro Loan Funds:** Despite the programs’ small loan sizes, projects regularly included private spending ranging from \$5,000 to \$560,000, depending on the scope.
- **EDA RLF:** Borrowers averaged more than \$275,000 in private leverage, with several downtown projects drawing significant reinvestment.
- **Façade Loans:** While typically modest awards, these projects often came with \$300,000+ in owner match or additional renovation costs.

When compared to national expectations—commonly ratios of 1:4 to 1:10—Eau Claire’s leverage routinely falls between 1:5 and 1:15, and several projects exceed those ranges entirely. These results confirm that the City’s programs do not serve solely as direct financing tools; they function as catalysts that help to unlock substantial private commitments.

Exhibit N

Private Investment By Program Over Previous Decade

Program	Total Loans	Total \$ Loaned	Private \$ Invested	Multiplier
All Programs	61	\$3M	\$18.5M	6.2:1
Micro Loan Fund	17	\$431K	\$2.7M	6.3:1
City Revolving Loan Fund	12	\$1.2M	\$9.4M	7.8:1
EDA Revolving Loan Fund	12	\$820K	\$3.4M	4.1:1
Commercial Building Façade Loan Fund	11	\$415K	\$2.8M	6.7:1
Low Barrier Loan Fund	9	\$170K	\$232K	1.4:1

All totals are approximate based on available data. Source: City of Eau Claire Finance Department, City of Eau Claire Loan Administration Board.

Multiplier Findings

The private-investment data reveals how effectively each loan program converts public dollars into broader economic activity. While the programs vary widely in purpose, scale, and borrower profile, all demonstrate meaningful catalytic impact—from large-scale expansions leveraging millions in private capital to small corridor-based businesses making targeted improvements. The multiplier ratios highlight which programs generate the greatest private response and how each contributes to Eau Claire’s overall economic development strategy.

- The **City Revolving Loan Fund** generates the highest multiplier (~7.8x), driven by large expansion projects and redevelopment loans with strong private match requirements.

- Both **Micro Loans** and **Façade Loans** both perform exceptionally well, each generating \$6-7 of private investment per public dollar, despite their small size.
- The **EDA Revolving Loan Fund** shows a strong, steady multiplier at 4.1x, consistent with downtown rehab and food/creative-sector projects.
- The **Low Barrier Loan Fund** is not designed for high private leverage, and its 1.4x multiplier is typical for small neighborhood businesses, childcare, wellness practices, and creative start-ups.

IX. Sector Gaps and Opportunities

As stated previously, the lending dataset reflects a sharply diversified modern economy. At the same time, however, it reveals several sectors with little or no historical lending activity at all, despite strong alignment with Eau Claire, Wisconsin’s workforce, talent pipelines, and market trends. These gaps represent meaningful opportunities for targeted outreach and modernized financing strategies.

Information Technology and Digital Services

The portfolio includes only a handful of early 1990s tech borrowers and virtually no modern digital firms. Missing categories include app development, cybersecurity, cloud services, digital consulting, and AI-enabled startups. With UW–Eau Claire expanding computer science programs and remote work making smaller metros more attractive, Eau Claire is well-positioned to support early-stage tech entrepreneurs. Even modest Micro or Low Barrier Loans could help seed a local digital-services cluster by addressing common early hurdles such as equipment, software, or workspace needs.

Green Energy, Sustainability, and Climate Tech

No significant clean-energy or sustainability-focused borrowers appear in the dataset—no solar installers, energy-efficiency firms, building-performance consultants, EV infrastructure providers, or clean-material manufacturers. Given federal incentives, local sustainability commitments, and strong performance among modern manufacturers, this gap presents one of the City’s clearest opportunities. Industrial parks could attract clean-tech fabricators, and targeted financing—especially when paired with utility or state programs—could help establish a green innovation foothold in Eau Claire.

Modern Logistics, Last-Mile Delivery, and E-Commerce Infrastructure

Transportation and warehousing loans appear almost exclusively in older portions of the dataset, despite growing regional demand for e-commerce fulfillment and distribution. Eau Claire’s geographic position between major metros and its track record of catalyzing large private investments make this a promising sector for renewed support.

Potential opportunities include:

- small-scale fulfillment or distribution hubs,
- third-party logistics providers,
- delivery and route-optimization firms,
- warehouse and micro-logistics operations tied to local manufacturers.

Specialty Food Production, Ag-Tech, and Value-Added Manufacturing

Although restaurants and cafés are strongly represented, value-added food production and agricultural technology remain largely absent from lending activity. These industries pair well with Wisconsin’s agricultural strengths and could diversify the region’s food economy beyond retail and hospitality.

Missing sectors include:

- craft and specialty food producers,
- commercial kitchens or co-packers,
- food-grade packaging or fabrication,
- controlled-environment agriculture or vertical farming,
- agricultural sensors and processing automation.

Creative Digital Media and Applied Creative Industries

Eau Claire’s cultural identity is well established, yet digital creative fields—film, animation, game development, and digital content production—are notably missing from the loan portfolio. These businesses typically require relatively small but catalytic investments for equipment, software, or studio buildouts. Low Barrier and Micro Loans are well suited to support this emerging segment and expand the city’s creative economy beyond performance-based activities.

Why These Gaps Matter

The data highlights where Eau Claire’s loan programs already perform exceptionally well—hospitality, childcare, wellness, professional services, and modern manufacturing—and where the next wave of opportunity lies. Targeting these sectors can broaden Eau Claire’s economic base, support next-generation entrepreneurs, and replicate the high survival and strong private leverage seen in the City’s most successful modern loans.

The underrepresented sectors above also share three attributes:

- High national growth potential
- Alignment with local workforce or university strengths
- Capital needs that match existing loan programs

X. Workforce Alignment

Overlaying the updated loan data with Eau Claire, Wisconsin’s current workforce structure reveals clear patterns as to where the City’s lending programs already align with local labor demand and where targeted lending could strengthen key industries. Together, the insights illustrate how workforce dynamics and loan performance can reinforce one another.

1. Lending Aligns with Major Employment Sectors, with Opportunities for Expansion in Healthcare

Retail and Healthcare are Eau Claire’s two largest employment sectors, at roughly 8,300 and 8,100 workers respectively. Lending into retail sectors—through Micro Loans, Low Barrier Loans, and façade improvements—has strengthened storefronts and commercial corridors, and recent borrowers in these programs show strong survival.

Healthcare and social assistance borrowers, while representing a smaller portion of historical lending, demonstrate exceptionally high survival and strong private leverage, especially among childcare, wellness, therapy, and senior-service providers. Given the scale and sustained demand of Eau Claire’s healthcare workforce, this sector represents one of the City’s strongest opportunities for expanded lending outreach.

Manufacturing, employing about 5,500 workers, remains a core component of the local economy. While early-era industrial loans show high attrition, modern advanced manufacturers exhibit stronger survival

and substantial private match. This suggests the City should continue supporting manufacturing, but with an emphasis on automation, precision processes, clean production, and high-skill specialty work.

Professional, scientific, and technical services—though smaller in total employment—appear in the loan dataset as consistently stable, high-survival borrowers. This aligns well with Eau Claire’s educated workforce and growing knowledge-based industries.

2. Educational Attainment Supports Growth in Knowledge-Driven and Digital Sectors

Eau Claire’s high share of residents with postsecondary degrees—combined with university programs in computer science, business, nursing, engineering, and the arts—creates a strong talent base for knowledge-intensive industries. These capabilities align with several clear lending gaps: IT services, digital consulting, software, creative digital media, and modern logistics.

These emerging sectors typically require modest startup capital—often \$10,000-\$50,000—making them ideal fits for Micro Loans or Low Barrier Loans. Technical and creative talent already exists locally; lending can help turn that talent into new business starts.

3. Wage and Stability Patterns Mirror Loan Outcomes

Sectors that show the strongest survival and repayment—healthcare, professional services, childcare, wellness, and advanced manufacturing—also offer relatively stable wages. This stability reinforces repayment predictability and reduces loan risk.

Lower-wage, high-churn sectors such as retail and food service historically showed more variability, but outcomes have strengthened considerably due to:

- smaller, more flexible loan sizes,
- modern underwriting,
- supportive corridor investments, and
- a resilient local market.

These improvements suggest continued opportunity for lending in retail and hospitality, particularly when paired with façade or corridor revitalization strategies.

4. Loan Demand Provides Signals for Workforce Development Priorities

Patterns in loan activity can help identify where training pipelines should grow:

- Rising demand for childcare, therapy, wellness, and behavioral health loans indicates the need for expanded talent pathways in health and human services.
- Strong outcomes in professional and technical services point to opportunities for enhanced business, tech, and creative programs at UW–Eau Claire and CVTC.
- High private leverage in advanced manufacturing expansions underscores the importance of maintaining strong training in CNC machining, automation, robotics, and materials.
- Underrepresentation in IT, digital media, and logistics suggests that building talent pipelines could unlock future business formation and diversify the economy.
- Tracking loan demand over time can help the City coordinate more intentionally with colleges, employers, and workforce boards.

5. Workforce Constraints May Limit Growth in Some Emerging Sectors

Gaps in IT, biotech, clean energy, and climate-tech lending may reflect not only capital shortages but also limited regional talent pools or a lack of firms ready to scale. Loan programs alone cannot create

these industries. Coordinated workforce development is essential for seeding these promising but underrepresented sectors.

Potential solutions include:

- talent recruitment initiatives,
- expanded technical training,
- entrepreneurship support for tech-enabled startups,
- partnerships between employers and educational institutions.

6. Place-Based Lending Supports Workforce Accessibility and Neighborhood Economies

Facade Loans and Micro Loans consistently cluster in downtown and along neighborhood commercial corridors—areas that also function as local employment hubs. These corridors act as accessible workforce ecosystems: business creation, local hiring, and neighborhood revitalization occur in the same place, multiplying the value of small but strategic lending.

With near-perfect survival in recent years, these place-based investments also strengthen:

- walkable job centers,
- small-business density,
- amenities that attract residents and employers,
- opportunities for creative and first-time entrepreneurs.

Integrated Observations and Hypotheses

Drawing these insights together reveals six workforce-linked hypotheses that can guide future lending strategy:

- Healthcare and retail remain high-employment sectors with strong lending outcomes, suggesting room for expanded support—especially in outpatient care, childcare, behavioral health, wellness, and storefront modernization.
- Manufacturing should remain a priority, but with emphasis on advanced, automated, clean, and niche-specialty firms rather than legacy industrial models.
- IT and digital services—though small in workforce share—are high-value opportunities well aligned with local educational strengths and suited to small, flexible loan tools.
- Creative economy businesses can expand beyond performance-based activity into digital media, design, and production—sectors well served by Low Barrier and Micro Loans.
- Talent shortages may be limiting growth in tech and clean-energy industries, indicating the need for coordinated training, recruitment, and entrepreneurship support.
- Corridor-focused lending strengthens both place and workforce, reinforcing walkable, mixed-use districts where small businesses can start, grow, and hire locally.

XI. Strategic Recommendations

The City's loan portfolio—now reflecting more than three decades of activity since the Loan Administration Board was established—offers a clear roadmap for how Eau Claire can strengthen and modernize its lending strategy. The recommendations below build on programs that consistently deliver strong results, address gaps revealed in the data, and position the City to support the industries shaping Eau Claire, Wisconsin's next economic chapter.

1. Seek Additional Capital to Meet Rising Demand and Sustain High-Performing Programs

The portfolio shows a clear increase in loan demand in the 2020s vs. 2010s. Recent application volume, combined with exceptionally strong survival and high private leverage, signals that existing loan funds may be insufficient to sustain pace, meet demand equitably, or capitalize on high-performing programs within the next 6-12 months. Securing additional capital—whether through annual budget allocations, ARPA-style one-time infusions, external grants, philanthropy, or revolving partnerships—would allow the City to support more businesses, address unmet demand, and ensure program continuity as loan dollars circulate back more slowly than applications arrive.

Recommendation: Pursue new funding sources to expand the overall lending pool, including state and federal grants (EDA, USDA, WEDC), partnerships with regional financial institutions, and potential internal budget adjustments to scale the City’s loan programs in response to the current uptick in demand.

2. Expand Micro and Low Barrier Loan Programs

Micro Loans and Low Barrier Loans continue to be the highest-performing tools in the portfolio, with near-zero attrition, strong repayment, and disproportionately high neighborhood impact thus far. Despite small dollar amounts, these loans often unlock substantial private match and help early-stage entrepreneurs overcome critical startup barriers. These programs also deliver exceptional returns at minimal risk and directly support inclusive, corridor-based economic growth.

Recommendation: Increase annual allocations and expand proactive outreach to first-time entrepreneurs, childcare providers, creative businesses, wellness practices, and minority-owned firms.

3. Prioritize High-Resilience, High-Demand Sectors

Modern lending outcomes are strongest in healthcare, childcare, wellness, hospitality, professional services, and creative enterprises. These sectors align with Eau Claire’s workforce strengths, demographic trends, and the city's evolving economy, and these borrowers show consistent survival, strong private leverage, and long-term community value.

Recommendation: Direct targeted outreach toward high-survival, high-impact fields including healthcare and behavioral health, childcare and senior services, hospitality and food entrepreneurship, wellness and therapy practices, and professional/technical services.

4. Use Geographic and Equity Targeting to Strengthen Corridors

Micro Loans and Façade Loans repeatedly demonstrate near-perfect survival and visible corridor revitalization effects, particularly downtown and in early-stage commercial districts. These tools safely catalyze reinvestment where it is most needed, supporting equitable, place-based economic development.

Recommendation: Use mapping and demographic indicators to identify underinvested neighborhoods, and then prioritize outreach for Micro Loans, Façade Loans, and Low Barrier Loans in these areas.

5. Systematically Track and Publicize Private Leverage

Verified data from the last decade shows that the City of Eau Claire’s loans routinely leverage 5-15 private dollars per public dollar, far exceeding typical national benchmarks. This documented leverage strengthens City Council budget requests, improves competitiveness for external grants, and demonstrates the true multiplier effect of public loan funding.

Recommendation: Require full project budgets and documentation of private financing for all loan applications and then track leverage uniformly across programs.

6. Formalize a “Loan Ladder” for Scaling Businesses

Several firms in the dataset demonstrate successful growth over multiple loan cycles, moving from small storefront improvements to large-scale expansions with significant private leverage. A formal loan ladder keeps promising firms anchored locally, strengthens business retention, and builds predictable pipelines for scaling employers.

Recommendation: Create a structured path from Low Barrier → Micro → RLF → private financing, with clear eligibility criteria and guidance.

7. Align Lending with Workforce Development

The strongest loan outcomes—healthcare, professional services, childcare, advanced manufacturing, wellness—correspond to sectors with strong local workforce capacity. Lending success depends on the businesses’ ability to hire locally; meanwhile, coordinated workforce planning ensures long-term viability.

Recommendation: Partner with CVTC, UW–Eau Claire, workforce boards, and employers to align training pathways with sectors showing strong loan performance and unmet demand.

8. Modernize Manufacturing Support

Manufacturing remains a pillar of local employment, but the dataset shows a split: legacy industrial projects historically carried high attrition, while modern manufacturers (post-2010) show improved performance and some of the highest private match ratios. Manufacturing should remain a priority, but with a forward-looking strategy rooted in modernization rather than legacy underwriting.

Recommendation: Shift focus to advanced, automated, clean, and niche manufacturing—fields that reflect contemporary strengths and align with regional training programs.

9. Capture Long-Term Outcomes Beyond Business Survival

Survival alone underestimates the full impact of many loans, especially smaller ones that catalyze corridor vitality or multi-phase expansion. Broader metrics allow the City to communicate its true economic impact and refine program strategy.

Recommendation: Track job creation, wage growth, expansion activity, corridor improvements, and tax-base contributions for funded projects.

10. Launch a Marketing and Storytelling Campaign

This data provides powerful examples of loan success—high private leverage, strong survival, neighborhood revitalization, and business growth. Public awareness increases program uptake, strengthens partnerships, and builds trust in public investment.

Recommendation: Develop a communications campaign showcasing success stories, corridor transformations, and Micro Loan graduates.

XII. Conclusion

The City’s loan programs have evolved from underwriting factories to cultivating a vibrant mix of small businesses, creative ventures, and service industries. This transition reflects a change in how Eau Claire grows, supports risk-takers, and strengthens the fabric of its neighborhoods. What once functioned primarily as a tool for industrial expansion has become a flexible, community-driven financing system that adapts to the city’s needs and opportunities.

Exhibit O

Program Analysis Overview

Program	Typical Loan Size	Risk Profile	Private Leverage	Primary Function
City Revolving Loan Fund	Large	Moderate	Very High	Expansion, Retention
EDA Revolving Loan Fund	Medium	Low-Moderate	High	Corridor Destinations
Micro Loan Fund	Small	Very Low	High	Neighborhood Customers
Low Barrier Loan Fund	Very Small	Very Low	Modest	Startup, Neighborhood
Commercial Building Façade Loan Fund	Small	Very Low	High	Placemaking

Analysis is approximate based on available data.

One of the most meaningful observations from this dataset is that Eau Claire’s economic strengths today look very different from those of the early 1990s. The borrowers now finding the most success are the same businesses that energize corridors, meet essential local demand, and create the day-to-day experiences that define community life. The loan programs have become an important platform for supporting this ecosystem, especially for entrepreneurs who lack traditional collateral or early-stage capital.

The data also highlights a second transformation: the increasing catalytic power of public dollars. Modern loans—often modest in size—were frequently put to work alongside six- or seven-figure private commitments. This trend signals a more sophisticated role for the City, not as a primary financier but as a strategic partner capable of tipping viable projects into motion. Continued documentation of these leverage effects will strengthen the City’s position when seeking additional funding, partnerships, or state and federal grants.

At the same time, rising application volume and strong performance across several programs underscore a need to expand and modernize the City’s lending capacity. Micro and Low Barrier Loans are achieving exceptional survival rates; façade improvements are energizing entire corridors; and targeted sector strategies are aligning lending with Eau Claire’s workforce and demographic realities. Ensuring these programs remain adequately capitalized—and supported by clear risk policies, real-time data tracking, and workforce coordination—will be essential as the local economy continues to diversify.

Looking ahead, the City is entering a period where small businesses, service providers, creative industries, and advanced manufacturers will drive much of Eau Claire’s growth. The loan programs will play their strongest role by continuing to bridge financing gaps, support innovation at a neighborhood scale, and respond to emerging opportunities such as clean-tech, digital services, value-added production, and childcare expansion. With intentional program design and sustained investment, these tools can continue to shape a resilient, opportunity-rich economy that reflects Eau Claire’s evolving identity.

In short, the City’s loan programs are no longer just financial instruments; they are economic development systems that strengthen community vitality, expand access to opportunity, and amplify private investment. By expanding micro-lending, focusing on resilient sectors, modernizing manufacturing support, and tracking private leverage, Eau Claire can institutionalize these programs as long-term economic infrastructure—catalyzing inclusive growth, strengthening neighborhoods, and amplifying private investment for decades to come.