Economic fund fuels Indigenous businesses in Manitoba


Entrepreneurs from left Dakota Sipie, Melissa Osadac, Florence Duncan, and CEO Ian Cramer at an event celebrating the successes of the First Peoples Economic Growth Fund at the Fort Garry Hotel in Winnipeg on Tuesday.

They may not be the most lucrative or the trendiest, or even the most successful businesses around, but more and more First Nation entrepreneurs are starting their own enterprises.

At an event marking the 10th anniversary of the First Peoples Economic Growth Fund (FPEGF) — a partnership between the province and the Assembly of Manitoba Chiefs — three small, modest businesses were profiled, each of them launching this past year after months, sometimes years, of planning.
Two of them were started by women from the Norway House Cree Nation, and another was opened by a young man from Tootinaowaziibeeng First Nation west of Dauphin, who worked in the oil industry for several years and saved his money.

The FPEGF is never going to lead any index in return on investment. For starters, it is a non-profit. When it was formed 10 years ago, it was the only provincially funded organization in the country dedicated to economic development of First Nations and First Nations Peoples.

It has a few different kinds of support services, but its main activity is business lending, providing interest-free loans up to $100,000 to individual businesses and $200,000 for band-owned businesses. It also helps Indigenous entrepreneurs produce business plans that they then might use to apply for loans.

Over the last decade, FPEGF has provided around $40 million worth of loans to about 320 businesses, which leveraged other resources to create $140 million in economic impact. The province has kicked in a total of approximately $27 million to the fund at $2.7 million per year. It's worth noting that the provincial Progressive Conservative government has undertaken a very rigorous review of all program spending and has cut back its funding to many business organizations, but has maintained its commitment to the FPEGF.

Not surprisingly, the organization has a loan loss rate of about six per cent, much higher than Canadian chartered banks. Despite the heavier loan loss in the portfolio, provincial funding is needed for the business plan and after-care assistance the organization provides to help the businesses — many of which are run by first-time business owners — succeed.

Ian Cramer, the only CEO FPEGF has ever had, said, "We take a lot more risk. We're working with a clientele in remote areas. We are a developmental lender. Everyone needs to understand that. We're not a bank. We work with entrepreneurs, many of whom the banks won't touch."

Because they are so new, it's not clear how successful the three new businesses profiled at the FPEGF 10th anniversary event will be. Melissa Osadac, from Norway House, built a BMX bike racing track adjacent to the Fantasy Lake Golf Course in Dugald, Man.; Florence Duncan started Flossy's Pizza in Norway House; and Dakota Sipie's business is Sipie's Mobile Wash, a mobile pressure-wash business in the Parkland area.

Through the first six months of this year, the fund is on pace for its busiest year yet, already providing $3.9 million in loans, and could top last year's record total of $7.04 million in lending to 31 businesses.
Those numbers may sound modest and not particularly impactful. But considering the dearth of economic development opportunities available to many First Nations entrepreneurs in the province, it may more accurately be characterized as an amazing achievement.

All three of the entrepreneurs featured at the event this week dreamed of having their own business. Sipie, in particular, spoke clearly about his journey to start his own business — including winning $5,000 at last year’s Vision Quest business competition — and his willingness to work hard and that his goal was not necessarily to get rich but to do well enough to support himself and maybe serve as a role model for others.

Cramer spoke about how they were pretty proud of the financial success of the organization. But, he said what’s more important is the effect the work has had on the lives of the entrepreneurs and their families.

"The numbers are nice," he said. "But what really gets us excited is assisting people and helping them achieve their dreams, building stable families, more stable communities and reach their potential. That’s what gets us excited."