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February 24th, 2025.

Hearing from Lenders: Managing Risk for the Long-Term in the 7(a) Loan Program

Testimony
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My name is Mayrena Guerrero. I am a Licensed Mental Health Counselor and entrepreneur in Massachusetts. I am honored to be here to talk about my experience with the SBA Community Advantage loan through Common Capital.

My business is Colorful Resilience, a mental health clinic that provides outpatient mental health services to Black Indigenous People Of Color, Lesbian, Gay Bi Trans Queer, and others with various sexual and gender identities, immigrants, first-generation people, and our allies. What sets us apart is that our team members represent the communities we work with. This brings about cultural competency that comes not just from education but also from shared lived experiences with our clients.

I hold a Bachelor of Science degree from Universidad Católica Santo Domingo in the Dominican Republic and a Master of Science in Mental Health Counseling from Fitchburg State University in Massachusetts. After graduate school, I worked in community mental health for three years, providing outpatient services. After completing the necessary hours and passing the licensing exam, I obtained my license to practice mental health counseling independently in Massachusetts. In 2016, I established a private practice, marking the beginning of my entrepreneurial journey as a solo practitioner.

My practice filled up quickly as clients discovered me through the [PsychologyToday.com](https://www.psychologytoday.com) provider directory. In my published profile, I discussed my therapeutic approach and comfort in working with immigrants, people of color, and members of the LGBTQ+ community like myself. I quickly noticed clients sought me out primarily because of our shared identities.

In 2020, due to the mental health crisis resulting from the pandemic and the Black Lives Matter movement, inquiries for services increased from two a day to twenty. My practice was packed,

and I wondered where to refer individuals seeking support based on identity affinity. I realized then that there was a niche in the market that was not being addressed, and that is when the idea for Colorful Resilience was born.

If I were going to do this, it would be done right. My company would have multiple practitioners and be the work environment I always dreamed of. The humanity of the clinician would be front and center because happy and healthy clinicians produce better therapeutic outcomes.

I would do things differently and go against the industry standard. My clinicians would receive a guaranteed bi-monthly paycheck, with a salary that exceeds the living wage for our county, based on the MIT Living Wage Calculator. A yearly inflation raise would be essential to prevent a pay cut, and an annual productivity raise would incentivize meeting productivity goals. Both part-time and full-time employees would have access to health and dental care. Additionally, the company would reimburse continuing education credits, as 15 CEs are required annually to maintain our licenses.

Burnout is a significant issue in the mental health field, leading to frequent turnover and a mass exodus from the profession. I recognize that establishing reasonable and sustainable productivity expectations is crucial. Furthermore, supporting and encouraging clinicians to attain their private practices is essential for maximizing their earnings and increasing representation from these communities in the field. In other words, my team members were not leaving Colorful Resilience because we were a lousy employer but because they were ready to self-actualize professionally.

The idea was there, and it was a good one. But I needed capital, so I went to talk to my community bank of 15 years. I sat down with a person from commercial lending, business plan in hand. He listened to me and told me it was an excellent idea but that they didn't fund startups. For them to lend me the \$300,000 I needed to start my business, I would need to have assets that amounted to that much, which I didn't. It was the bank who told me about Common Capital.

I went to Common Capital's website and filled out a simple form. Then, with a business plan in hand, I met with them. They supported my idea and told me they would work with me to secure the funds I needed to make it a reality. Common Capital helped me secure an SBA Community Advantage loan for \$250,000 and a \$50,000 microloan at a 6-year term and a 7.5% interest rate. In addition to the loans, Common Capital helped us get marketing and technical assistance help from a third party, contributing to our recruitment efforts. From the very beginning, Colorful Resilience has submitted monthly Profit and Loss and Balance Sheet reports to Common Capital, helping keep us accountable as we go. Common Capital invested in Colorful Resilience, and we continue to experience their support to this day.

On February 23rd, 2022, Colorful Resilience LLC became a registered business entity, and in August of that year, we started seeing clients. Today, according to the Boston Business Journal,

Colorful Resilience is the 27th largest LGBT-owned business in MA. We are a profitable company, currently employing 15 people, and on track to hire three new full-time clinicians this year. We have about 550 active clients and over 3,000 people have had access to care because we exist.

Outpatient mental health is primary care. Clients who are adequately supported at an outpatient mental health level rarely need to access higher, more expensive levels of care, like partial hospitalization, inpatient hospitalization, and residential treatment centers. We keep the cost of mental health care down. We don't depend on government grants to function, and we pay taxes. Businesses like Colorful Resilience keep the American economy going in the right direction.

The SBA Community Advantage loan changed my life and the lives of many others. I am grateful that this program exists and was lucky to have access to it. Please continue to provide organizations like Common Capital with the support necessary to make businesses like mine possible.

Thank you.