



HOPE Inside Board Report

National

Quarter 1 2020

AT A GLANCE

Total Global Services

67,263

Percent to Goal

159%

FICO Score Increase

+28 pts



A Story of HOPE

"My client, T. Gales, attended my workshop in mid-2019 and closed on her new home for 110K in January 2020, less than a year of being in the HOPE credit and homeownership programs.

When I pulled her credit on 3/1/19, her credit score was 529. She completed all of her work plan items in October 2019. On 11/5/19, I re-pulled her credit score and it had improved significantly, to 747. And increase of 218 points in 8 months! Ms. Gales was so grateful to HOPE that she gave her testimony at Operation HOPE's bus tour event on 3/6/20. She was so emotional, most people in the audience were in tears hearing her story. Ms. Gales told me her goal was to just provide a backyard for her kids. She is now in her new home and she loves operation HOPE so much that she referred five of her friends and family to attend my workshop last month."

-HOPE Inside Memphis, TN

"When my client first came to HOPE, he primarily used cash for everything and did not have a credit score. Since his enrollment in credit counseling, my client has increased his credit from no score to a 723 credit score! He originally came to Operation HOPE to get help with opening a cash rewards credit card and through our work together, he was approved for a \$1500 credit limit that he has managed responsibly over the past several months. He was excited to discover that he could earn money back for some of the everyday purchases that he makes. As we continued our financial counseling sessions and developed the client's financial goals and workplace, the client mentioned that he would like to purchase a vehicle. I referred him to apply for a LightStream loan and because of his new and improved financial foundation, he was approved for the \$7000 requested. The client was extremely grateful and let me know that he is now about to spend much more quality time with his grandkids. He was so impressed with his experience at HOPE that he also referred his daughter to Operation HOPE in February 2020! Together, through discovery and teamwork, we are making a difference not only in the lives of our clients but their family and friends as well!"

- HOPE Inside Florence, AL

The Impact of HOPE

Operation HOPE believes everyone deserves financial dignity and equity of opportunity. To that end, all HOPE financial wellbeing coaches work to improve their clients' financial health including assisting individuals across the nation to financially prepare and recover from the COVID-19 pandemic. This includes helping clients negotiate with creditors, increasing client credit scores so they're eligible for loans and aide, increasing savings so they are able to survive the months ahead, and improving clients' overall financial health through better banking practices, budgeting, and financial planning.

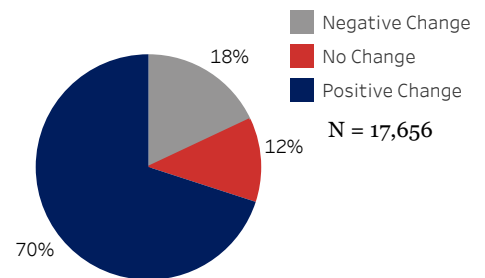
Clients who participate in HOPE services see a dramatic improvement to their financial health. Post-services, clients have less financial stress, are more satisfied with their financial situation, are more engaged with a traditional bank or credit union, are more likely to own their home and are more likely to have a savings account. In addition, clients engaged in counseling see on **average a 28 point improvement to their FICO score, an average reduction of \$2,843 in debt, and an average increase to their savings of \$552 over 4.8 months**. In regards to FICO Scores, HOPE clients see improvements that are 2-3x the rate of their nonprofit peers (see Urban Institute, 2015; PERC University of Arizona Report, 2005; Experian Report, 2016).

Regarding FICO scores, **70%** of all HOPE clients who participated in financial counseling saw an increase to their score. Of HOPE's clients who saw an improvement to their FICO score, **the average improvement was 68 points**, with more than **28% of clients reaching above prime FICO scores of 660 or higher**. These improvements ranged from 1 to 389 points.

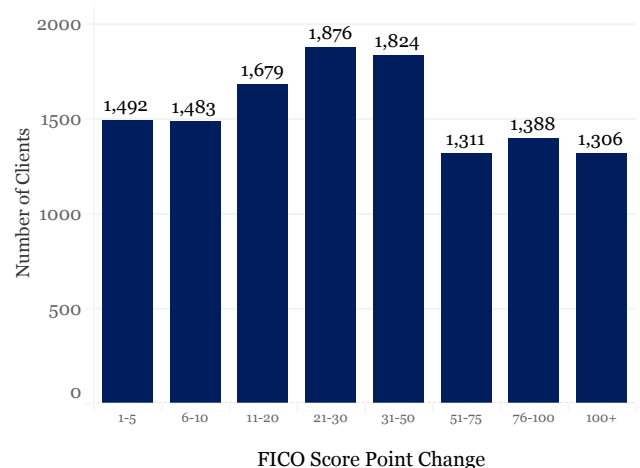
Similarly to FICO scores, HOPE is successful at reducing client debt and increasing client savings. Of those clients who saw a reduction to debt, the average debt reduction was \$5,432 over 6 months. To date, HOPE has successfully helped clients **reduce over \$155 million dollars in debt and increase savings totaling more than \$9 million**.

HOPE's data also show that **increased client-coach interaction** (what HOPE refers to as services), drastically increases financial-health outcomes. For example, among all counseling clients, those who engaged with HOPE for only one counseling service saw an average credit score improvement of 13 points while those who engaged in more than 20 counseling services saw an average credit score improvement of 84 points. Results are similar for all financial health metrics including increased savings, decreased debt, and financial stress. **As engagement with HOPE increases so too does the financial wellbeing of clients.**

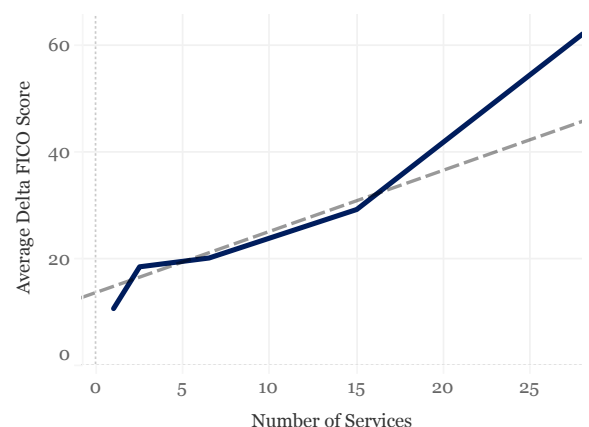
Change to FICO Score



Distribution of Positive FICO Score Change



FICO Change by Number of HOPE Services



Quarter 1, 2020 in Review

HOPE is committed to measuring the impact of the services it provides. In Q1, HOPE exceeded its client service goal rendering **over 57,585 direct services** to clients inclusive of counseling sessions, group education, bank referrals, youth empowerment and **COVID-19 disaster services**. HOPE successfully improved client lives by providing a myriad of services including: small-business technical assistance and SBA application assistance, mortgage forbearance and foreclosure prevention; financial recovery budgets; consumer credit counseling and debt deferment; money management education; and guidance to newly announced federal assistance programs. Via pre and post-service assessments, HOPE is able to track its impact on client financial behaviors and financial wellbeing. Specifically, HOPE clients saw on average a **28 point improvement to their credit scores** in a short 4.8 months. In addition, HOPE's clients saw an increase to their financial planning habits by more than doubling the number of clients who have households budget from pre-service to post-service phase. Similarly, HOPE increases traditional banking practices of its clients, increases the likelihood of clients having an emergency savings account and, perhaps most importantly, helped clients obtain deferments on lines of credit during the COVID-19 pandemic.

Regarding HOPE's homeownership program, in Q1, **HOPE's HUD-certified coaches** assisted **over 725 clients** with homeownership group education, counseling, and foreclosure prevention. HOPE assisted with the Closing Assistance Program for homebuyers totaling more than **\$45 million in funded mortgage loans**.

HOPE also stimulated the communities it serves by helping its clients start over **216 small business** this year, **70% of which were started by women and minorities**. At the end of the first quarter, HOPE began focusing its efforts on assisting small-business owners through the COVID-19 pandemic. Of the disaster clients that reached out to HOPE, **64% of clients were seeking small-business help**. HOPE was able to work with these clients and **assist them in finding aid through the Paycheck Protection Program, Economic Injury Disaster Loans, and other aide opportunities**. Also, in Q1, HOPE launched its **financial coaching mobile application, HOPE In Hand, this application allows clients to connect virtually with a coach**. The service offerings via the mobile application include all of HOPE's available program offerings.

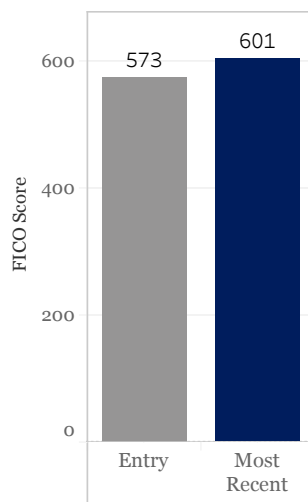
Client Financial Wellbeing

	Entry	Most Recent
Budget (% Yes)	27.0	91.0
Clients Unbanked / Underbanked	33.0	7.4
Clients with Emergency Fund (% Yes)	15.0	65.0
Financial Stress (1-5)	4.7	2.8

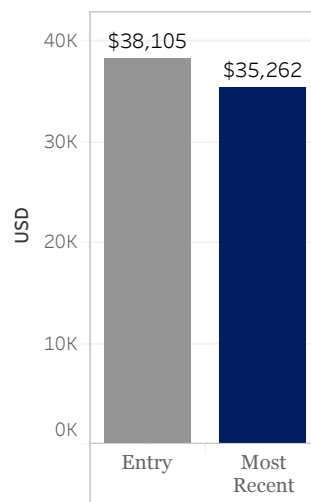
1,952 New Small Businesses Created (2014 - 2020)

\$1.95 Billion in Mortgage Lending (2000-2019)

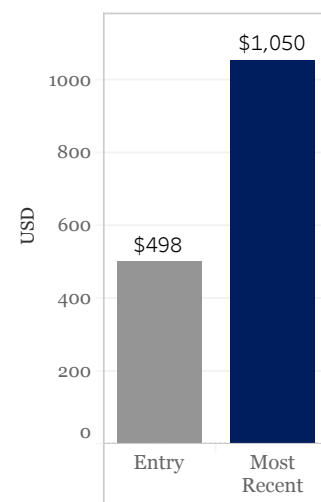
Client FICO Score



Client Debt



Client Savings



HOPE Inside

HOPE Inside Overview

Number of HOPE Insides	153
President of Operations	Lance Triggs
Program Focus	Credit, Small Business, Homeownership, Disaster, Youth

HOPE Average Client

The average HOPE client served this quarter was a black, non-hispanic, female, with an average household income of \$46,218. At entry the client had an average FICO score of 573, an average debt of \$38,105 and an average savings of \$498.



Avg. Household Income
\$46,218



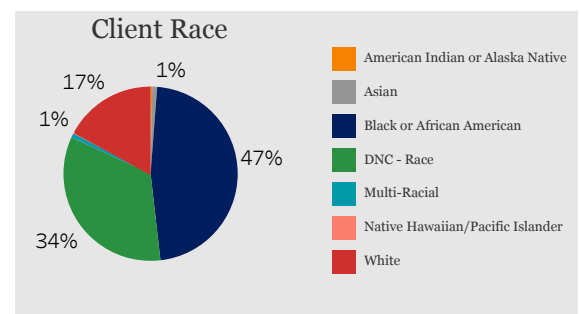
% Clients Low-to-Moderate Income
84.00%



Hispanic / Non Hispanic
12% / 88%



Female / Male
62% / 38%



HOPE Inside National - Services

Global Services

Production Metrics	Q1 2020	PTD
Total Global Services	67,263	4,563,889
HOPE Inside Adult Services	57,585	2,119,677
HOPE Inside Youth Services	1,832	1,067,605
HOPE Inside Disaster Services	7,846	1,376,607

Since its inception in 1992 HOPE has delivered over 4.5 million financial empowerment and disaster recovery services to individuals, families and small businesses. With 153 HOPE Inside locations (servicing individuals from 46 states and Puerto Rico) currently open across the country, HOPE has seen a 117% growth in number of services rendered from the first quarter in 2019 to the first quarter in 2020. Impacting the lives of its clients everyday through financial counseling, HOPE is assisting individuals across the country with financial services including disaster preparedness and recovery during the COVID-19 pandemic.

HOPE Inside Adult

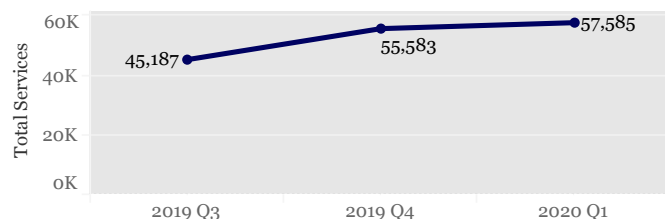
	Q1 2020	PTD
Financial Workshop Participants	22,304	884,599
One-one-One Counseling Sessions	30,356	532,817
Bank Referrals	4,925	29,848
Call Center Calls	0	239,536
Cyber Café Membership & Usage	0	425,630
South Africa Adults	0	7,342

HOPE Inside Youth

	Q1 2020	PTD
Banking on Our Future (USA and SA)	1,583	1,055,267
HOPE Business In A Box (USA and SA)	249	12,338
HOPE Corps Volunteers	56	27,788
No. of Start-Up Grants Awarded (USD)	1,500	123,676
No. of Youth Businesses Created	0	405

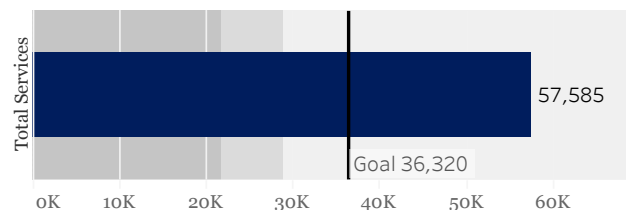
HOPE Inside National - Services

HOPE Financial Services Over Time



The above line graph illustrates services delivered over time. HOPE uses such data for goal setting and portfolio management.

Quarterly Services: Goal-to-Actual

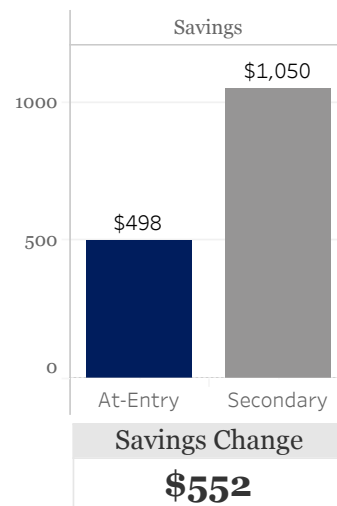
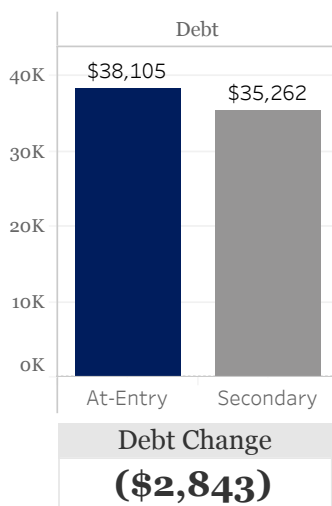
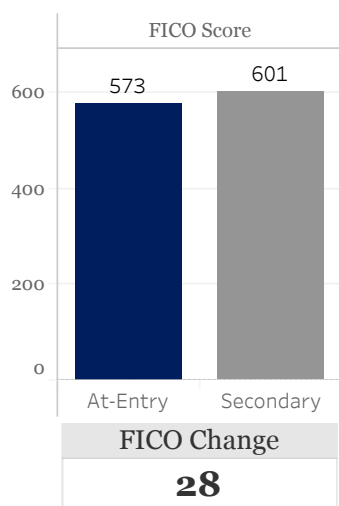


HOPE Inside location goals are set at the beginning of each calendar year. The above bar graph illustrates coach performance against their service goal for this reporting period.

HOPE Inside National - Impacts

HOPE Impacts

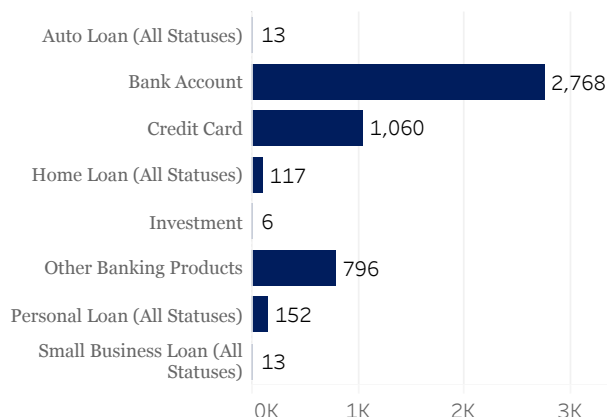
Since HOPE started collecting data at this HOPE Inside location, 17656 clients have both an at-entry and a secondary financial snapshot. A total of 70% saw an improvement to their credit score. The average credit score improvement, among the full sample of 17656 clients, was +28 points. In general, HOPE clients see improvements that are 2-3x their nonprofit peers (see Urban Institute's 2015 study: 'An Evaluation of the Impacts and Implementation Approaches of Financial Coach Programs.')



Lending and Highlights

Mortgage Loan Applications	392
Mortgage Loan Applications in \$	59,291,124
Mortgage Loan Funded in \$	49,444,664
Mortgage Loans Funded	299
New Businesses Created	216
Small Business Loan Application in \$	35,000
Small Business Loan Applications	10
Small Business Loans Funded	0
Small Business Loans Funded in \$	0

Bank Referral Details



Partner Report Definitions

Production Metrics

Active Counseling Portfolio: Unduplicated count of all clients currently enrolled in counseling. This number includes all counseling clients not exited and still actively enrolled and receiving program services. Clients remain active until they complete the program or are considered disengaged and exited after three outreach attempts from the financial coach. This measure speaks to a HOPE Inside location's book of active clientele.

Unique Individuals Enrolled: Unduplicated count of new enrollments during the reporting period. An enrollment is in either group education or counseling; if a client is enrolled in both, they are counted only once for their first enrollment.

Total Client Services: Count of total client services rendered during the reporting period. Services include: group education, counseling, disaster clients, follow-up sessions, and outbound bank referrals. Speaks to coach productivity and time spent servicing clients.

Counseling: Number of clients who received counseling services during the reporting period. NOTE: for Homeownership program this line includes both Foreclosure and Homeownership counseling clients.

Group Education: Number of clients who received group education services during the reporting period. NOTE: for the Small Business program this line includes both small business workshops and entrepreneurship training program participants.

Bank Referrals: Outbound client referrals to banking partners. This includes referring clients for banking products such as bank accounts, credit cards and loans.

Strategic Alliances: HOPE Inside coaches are encouraged to make connections in their communities. These partnerships help refer clients to HOPE's services, provide space to host workshops, and join HOPE in its mission of financial empowerment. This is a count of those relationships.

Outcome Metrics

ETP Graduates: ETP participants are considered graduates after completion of at least 10 of the 12 ETP modules, and a business plan.

Small Businesses Created: The primary goal of the Small Business program is to assist clients in starting their own business. This metric is a count of all new businesses started by HOPE clients. This measure includes: clients who have graduated from the ETP course, have completed a small-business plan, have successfully obtained an Employee Identification Number (EIN) or has a business license.

Financial Impact Data: Before engaging in any counseling service, HOPE coaches measure clients' financial health. These baseline measures include credit score, savings and debt. Client credit scores and debt are verified and pulled via one of the three credit bureaus. Savings is a self-reported amount that is verified by the coach (e.g. bank account statements). The sample upon which the analysis is based is a matched sample (i.e. only clients with both an at-entry score and secondary score are included in the analysis). Averages are taken for all at-entry scores and are then compared to the average of all secondary scores. "Secondary" is the most-recent pull of a client's financial data. Financial impact data is only provided when the client portfolio is mature (6 months post the HOPE Inside opening).