



# Global Impact Report

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Q1, 2021

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# Closing the Wealth Gap

## 1 Million Black Business Initiative



In 2020, HOPE launched its 1 Million Black Business Initiative, an audacious program to help Black entrepreneurs and existing business owners start or grow one million businesses by 2030. Operation HOPE, in partnership with Shopify and a coalition of partners, is working together to provide these entrepreneurs and business owners with the coaching, guidance, tools and resources to create dynamic, viable and resilient Black businesses that are positioned to thrive in both physical locations and through eCommerce activities. To learn more about 1MBB and to join HOPE in this effort: [Operation HOPE 1MBB](#)

**4,200**  
Black Entrepreneurs  
and Small Businesses  
Engaged

**323**  
New Black-Owned  
Small Businesses  
Created

Since October, 2020, more than 4,200 Black entrepreneurs and small business owners have signed up to participate in HOPE services with more than 320 new businesses created and 1,570 small businesses served. HOPE's financial empowerment programs include group education, coaching, mentorship, and referrals to financial institutions and access to capital.

## Access to Capital

Studies show that financial wealth accumulates first by way of homeownership and later through business interests (Urban Institute, 2017). To help clients build wealth, HOPE's coaches assisted clients in becoming loan-ready and provided entrepreneurial training. The below table outlines the lending and entrepreneurial success HOPE clients achieved in Q1, 2021.

	Q1 2021
Mortgage Loan Applications	399
Mortgage Loan Applications in \$	89,934,862
Mortgage Loans Funded	315
Mortgage Loan Funded in \$	58,216,396
Small Business Loan Applications	32
Small Business Loan Application in \$	827,500
Small Business Loans Funded	1
Small Business Loans Funded in \$	\$5,000
New Businesses Created	183

Regarding HOPE's homeownership program, in conjunction with the Closing Cost Assistance Program, in Q1, 2021, HOPE helped:

**309**  
Clients Become  
New Homeowners

Clients Obtain  
**\$58.2 Million**  
in Funded Mortgage Loans

## Improving Financial Health

Among HOPE clients, 72% of HOPE clients see an improvement to their FICO Score after participating in HOPE's financial coaching program. Among this sample that saw an improvement, the average increase was 48 points with 30% of clients reaching above prime FICO Scores of 660 or higher. Among a large sample of 22,248 clients, of whom both at-entry and secondary financial data were obtained, the average FICO score change was +24 points. These improvements are 2-3x the rate of other financial empowerment firms (see Urban Institute, 2015; PERC University of Arizona Report, 2005; Experian 2016).

Furthermore, after engagement in HOPE's services, clients are more financially literate, less financially stressed, and significantly more confident in their ability to manage their finances. To date, HOPE has also successfully helped clients reduce over \$162 million in debt and increase savings totaling more than \$11 million.

**+48**  
FICO Score 

72% of clients increase  
their FICO score.  
The average positive  
change is 48 points.



## Minority Small Business Index

In February, HOPE launched, in partnership with SurveyMonkey, a new Minority Small Business Index to quantify the experiences and hopefulness of minority small-business owners and entrepreneurs. Each question of the Index touched on a different aspect of entrepreneurship – from hope for business success, to having a trusted mentor, to risk tolerance, to access to capital, and finally, future outlook on systemic issues that impede success for minority small-business owners.

HOPE leveraged its 1 Million Black Business Initiative (1MBB) to tap into the current state of today's minority small businesses. With a sample size of 1,167 1MBB participants, HOPE and SurveyMonkey were able to dive deep into how aspiring entrepreneurs, recent small business owners and experienced small business owners are coping in today's climate. The results of the Index are also comparable to CNBC/SurveyMonkey's Small Business National Index, allowing HOPE to compare the differences among its 1MBB clients and national firms, and the efficacy of the 1MBB program in instilling HOPE, equipping business clients with the skills needed to succeed and connecting them to needed resources.



**98%** have high hopes for **small-business success** at all stages



**69%** have **trusted advisors** for business decisions



**85%** are **comfortable taking risks** to benefit their business



**79%** are hopeful that a year from now, minority small business owners will have an **easier path to success**



	CNBC/SurveyMonkey Small Business Index (National)	Operation HOPE / SurveyMonkey Minority Small Business Index (1MBB Participants)
Small Business Index	61	67
Expect Revenue to Increase	53%	86%
Expect technological innovation to have a positive effect on their business	47%	74%
Expect to increase their full time staff	27%	52%

## Index Highlights

- Most aspiring entrepreneurs and small business owners find the odds stacked against them when building their businesses: 79% say minority entrepreneurs are much less likely to succeed in building a business compared with whites, and that the COVID-19 pandemic adds yet another strain: 77% say COVID-19 will have permanent effects on the way they run or start their business.
- And yet, glimmers of HOPE exist: Operation HOPE 1MBB participants' index scores were higher than the national CNBC/SurveyMonkey Small Business respondents (both Black and White small business owners alike) and they were more optimistic on most measures.
- Access to capital was the top cited need to help minority small businesses flourish. Access to capital is critical to the success of business, and 1MBB participants cite capital as a need 2x the shares of any other business development resource. To that end, HOPE is committed to leveraging its network of financial institutions to bridge this gap between minority small businesses and capital.



# Q1 2021 in Review

## HOPE Inside Overview

Number of HOPE Insides 160

President of Operations Lance Triggs

Programs Credit, Small Business, Homeownership, Disaster, Youth

## HOPE Client Profile

The average HOPE client served this reporting period was a Black, non-Hispanic, female, with an average household income of \$36,322. At entry, the client had an average FICO score of 598, average total debt of \$25,884 and an average savings of \$599.



Avg. Household Income

**\$36,322**



% Clients Low-to-Moderate Income

**83%**



Hispanic / Non Hispanic

**12% / 88%**



Female / Male

**65% / 35%**



Black / White / Other

**43% / 13% / 42%**

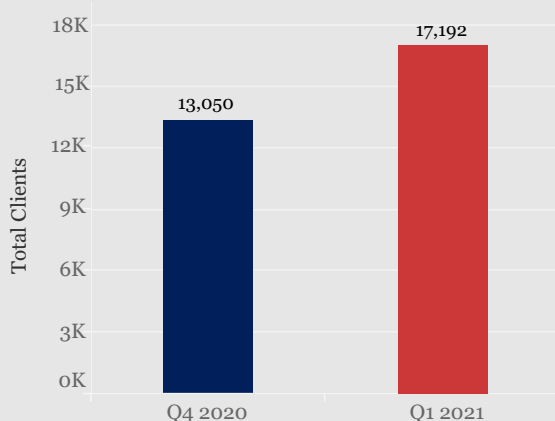
## HOPE Growth

Since its inception in 1992, HOPE has delivered over 4.8 million financial empowerment and disaster recovery services to 1,611,507 clients. With 160 HOPE Inside locations (servicing individuals from 46 states and Puerto Rico) currently open across the country, HOPE saw a 32% growth in clients served this quarter compared to last quarter. Successfully continuing its COVID-19 response and new initiatives including 1 Million Black Businesses (1MBB), HOPE is excited to enhance its foundational empowerment programs via new partnerships and an improved digital delivery throughout 2021.

## Global Production

Production Metrics	Q1 2021	PTD
Total Clients Served	17,192	1,611,507
Total Global Services	63,538	4,801,935
HOPE Inside Adult Services	43,851	2,280,819
HOPE Inside Disaster	18,536	1,450,144
HOPE Inside Youth Services	1,151	1,070,972

## Clients Served



## HOPE Inside Service Details

	Q1 2021	PTD
Financial Group Education Participants	17,153	936,170
One-one-One Counseling Sessions	21,430	621,034
Bank Referrals	4,344	45,102
Call Center Calls	924	245,541
Cyber Café Membership & Usage	N/A	425,630
South Africa Adults	N/A	7,342
Disaster Workshops and Counseling Services	10,699	1,414,584
Disaster and COVID-19 Assistance and Referrals	7,837	35,560
Banking on Our Future (USA and SA)	1,136	1,058,547
HOPE Business In A Box (USA and SA)	15	12,425
HOPE Corps Volunteers	68	28,055
No. of Start-Up Grants Awarded (USD)	0	122,176
No. of Youth Businesses Created	0	405



## A Story of HOPE

*"Adriana Lopez was a participant in one of my Zoom workshops in 2020. Adriana works as a retail manager at PetSmart. She has strong financial budgeting skills and practices, but the COVID-19 pandemic resulted in financial difficulties and made Adriana worried and anxious. Since her enrollment in late May 2020, Adriana's credit score increased by 19 points, and she is more meticulous about her budget. This is Adriana's testimonial about her experiences with Operation HOPE.*

*'I have always been good with money, so I did not think that I needed any help with managing my finances. I had my money, my apartment, and a great job, so things were just fine. BOOM!! COVID-19 hits and everything just goes crazy. Everybody starts getting laid off and what I thought was just fine became plain scary. I started worrying and thinking about what would happen if I lost my job. I had heard about Operation HOPE from a news segment on a sleepless late night, and I decided to check it out. I registered for the Eventbrite session and watched it during my lunch break. The presenter went through the session, explaining everything and answering all questions. It did not feel like a sales pitch or money gimmick, and when I received a follow-up email with contact information for additional questions and offering counseling, I decided to give it a try. I am very happy that I made that decision. Austin, my HOPE coach, explained that paying current bills is important, but I should think and plan for future bills and financial goals as well. We talked about emergency savings, financial goals, and retirement planning. I admit that I never really thought or considered those things before. Austin said that the problem with being focused on today's problems is that you do not allow yourself to plan for tomorrow, which will come whether I am ready or not. That hit me like a ton of bricks. Austin suggested that I start to use a written calendar for my monthly budget and track all my expenses, which would give me a better sense and control of my money, and to start an emergency savings fund. Well, after eight months, he was right. I have begun to feel more in control and confident with my money. I am now paying down debt and starting to save more. I am so glad that I enrolled in Operation HOPE's program because it has helped me feel more in control of my finances. With my credit score improving and feeling better about my money, I cannot thank Operation HOPE enough, and even if it is against the rules, Austin is getting a delivery of my homemade fudge brownies this Christmas."*

*-Austin Hall, HOPE Financial Wellbeing Coach,  
Creditand and Money Management Program, HOPE  
Inside M&T Bank, Philadelphia, PA*





# Report Definitions

**Total Global Services:** The sum of HOPE Inside adult services, HOPE Inside youth services, and HOPE Inside disaster services.

**HOPE Inside Adult Services:** The sum of financial workshop participants, one-on-one counseling sessions, bank referrals, call center calls served, cyber cafe membership & usage, and South African adults served.

**HOPE Inside Youth Services:** The sum of Banking on Our Future (USA and SA) students educated and HOPE Business In A Box (USA and SA) students educated.

**HOPE Inside Disaster:** The sum of disaster workshop and counseling services and, as of March 15, 2020, COVID-19 disaster assistance and referrals.

**Financial Group Education Services:** Count of group education services inclusive of credit, small business, homeownership, foreclosure, and disaster programs.

**One-on-One counseling sessions:** The sum of counseling enrollments and subsequent follow-up counseling sessions. Inclusive of participants who enrolled in the credit, small business, homeownership, foreclosure, and disaster counseling programs.

**Bank Referrals:** Count of outbound client referrals to banking and credit union partners for banking products such as bank accounts, credit cards, and loans.

**Call Center Calls:** The number of incoming calls received by HOPE coaches in which the coach provides counseling or general guidance and assistance.

**Cyber Cafe Membership & Usage:** Count of Cyber Cafe Members and transactional visits to the Cyber Cafe to utilize computers and attend computer literacy courses. The Cyber Cafe program is currently inactive.

**Disaster Workshop and Counseling Services:** Inclusive of services delivered to clients through disaster preparedness workshops, disaster recovery workshops, and one-on-one disaster recovery counseling.

**Banking on Our Future (USA and SA):** The count of youth educated through the Banking on Our Future financial literacy and empowerment program in both the U.S. and South Africa.

**HOPE Business In A Box (USA and SA):** The count of youth educated through the HBIABA entrepreneurial development program in both the U.S. and South Africa.

**HOPE Corps Volunteers:** The count of HOPE Corps volunteers trained for any HOPE program (youth, adult, disaster).

**No. of Start-Up Grants Awarded (USD):** The number of business start-up awards granted to youth entrepreneurs via the HBIABA program.

**No. of Youth Businesses Created:** The number of youth that graduated the HBIABA program and launched their small business.