



HOPE Impact Report

Q2 - 2022

Capacity Building

In 2022, HOPE initiated its organization-wide transformation, including an improved financial coaching model focused on client needs and financial behavior change and the transition of adult financial coaches to HOPE's new client data management system, Dynamics365. Quarter 2, 2022 marked the first full quarter of HOPE clients and coaches operating in the minimum viable product (MVP) and the launch of our new PowerBI data dashboards, designed for improved partner reporting.



New Coaching Model

The 2022 coaching model shifts the focus of the coach-client experience from process-driven structures to an emphasis on individual client needs, in addition to a shift toward driving meaningful impact for each client (now reflected in HOPE's 2022 annual coaching goals). In our new model, the coach works in partnership with the client as they establish financial goals and homework (newly developed), grow their financial knowledge and skills and track progress.

Grounded in the most recent theories in financial coaching to impact financial wellness and behavioral outcomes, the new model aligns with our HOPE Theory of Change.



System Transformation: Dynamics365

Coach Experience

In April of 2022, Operation HOPE transitioned all adult HOPE Inside coaches to the Dynamics365 client data management system, designed for an improved and more efficient user experience. Through Dynamics, HOPE coaches report client data, coach-client activities, financial outcomes, and more. HOPE continues to collect feedback from user focus groups, which will inform future iterations of the product.

Client Experience

In April of 2022, Operation HOPE launched a new online portal, representing the first time that clients could engage with Operation HOPE through a self-service system via HOPE's website. Through this portal, clients can report basic contact information, match with a coach, complete assessments, enroll in HOPE programs and sign up for workshops. Additionally, clients may access financial tools, including a mortgage calculator, budgeting tool, and amortization schedule, all through their client dashboard.

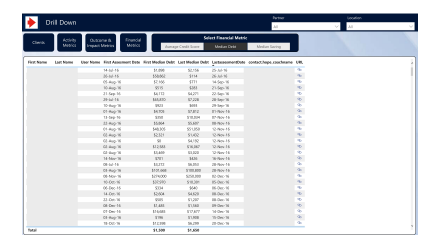
Data Migration

HOPE successfully migrated 45% of its client data to Dynamics in Q2, 2022, including client, coach and location records, and historical credit, debt, and savings client data. Following migration completion and quality assurance, historical data will become available to partners.



MVP Product 1: Automated Dashboards

HOPE successfully designed and launched the first iteration of our standard HOPE Inside reporting product, the PowerBI Partner Dashboard. Reflecting client demographics, activities, and outcomes, the PowerBI partner dashboard will create efficiency and accuracy of data reporting, while equipping operational staff with its first performance management tool, inclusive of data drill down functionality for quality assurance (page 4 featured bottom right).



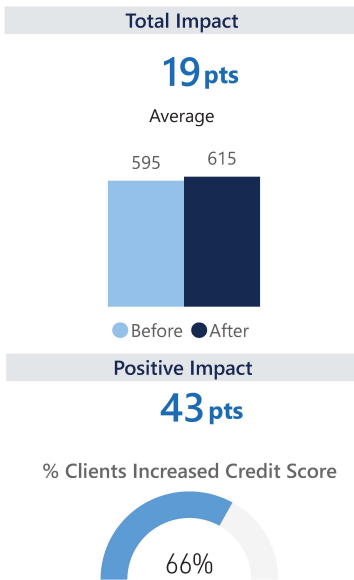


Economic Empowerment

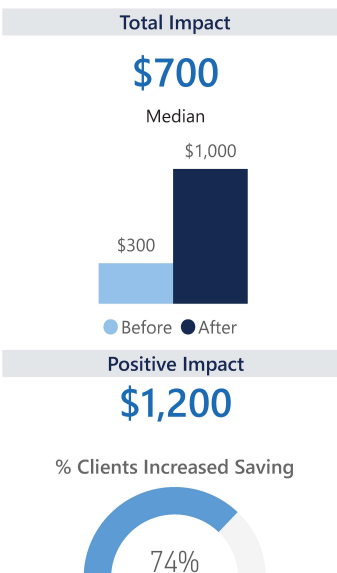
Improving Financial Outcomes

Among HOPE clients, 66% 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 +43 points with 28% of clients reaching above prime FICO Scores of 660 or higher. Among a large sample of 20,370*, of whom both at entry and secondary financial data were obtained, the average FICO score change was +19 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).

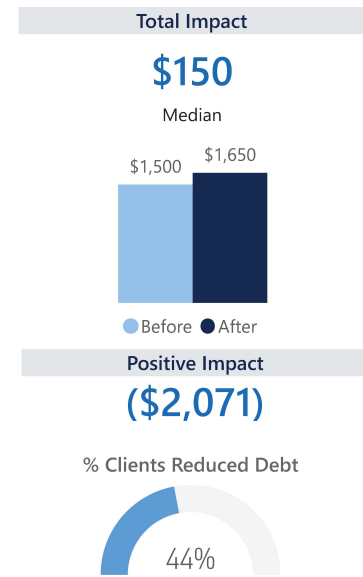
Credit Score (Average)



Savings (Median)



Revolving Debt (Median)



Financial Health and Behavior

HOPE deployed its financial health assessment, available to coaches for data collection and newly available to clients for self-reporting via the client dashboard.

National financial health and behavior questions (results featured right) were implemented in Q2 2022 in conjunction with HOPE's new coaching model, resulting in the establishment of a new baseline (at-entry). Financial health assessment results by HOPE Inside adult location are now available to HOPE's Operations team, and will drive HOPE coaching practices.

Financial Health Assessment

Client financial-health assessment results before and after engagement in HOPE's financial coaching.

I am confident in my abilities to manage my finances.	Avg. Score At Entry 3.15
In the past month, I have had serious financial worries.	2.92
I have a budget and plan ahead financially.	2.80
<i>1 = strongly disagree, 5 = strongly agree</i>	
Percent of clients who have 3+ months of savings for a financial emergency.	% At Entry 28.7%
Percent of clients who are unbanked.	3.0%
Percent of clients who are underbanked.	17.8%

* HOPE completed a rigorous analysis and data cleaning of client financial data (credit, debt, savings) in conjunction with its migration to Dynamics365, resulting in a lower reported sample size.



Quarter 2, 2022

Q2 2022 Summary

With 177 adult HOPE Inside locations (servicing individuals from 46 states and Puerto Rico) currently open across the country, HOPE served over 9,000 individuals in Q2 2022. These clients engaged in over 28,000 financial empowerment services including group education and one-on-one financial coaching. Client participation in HOPE activities led to numerous outcomes such as improved financial health (e.g. improved credit scores, reduced debt and increased savings), homeownership, and small business creation.

HOPE Client Profile

The average HOPE client served this period was a Black, non-Hispanic female, with an average household income of \$41,624.

At entry, the client had an average FICO score of 595, median revolving debt of \$1,500 and an average savings of \$300.



Avg. Income
\$41,624



% Low-to-Mod. Income
80%

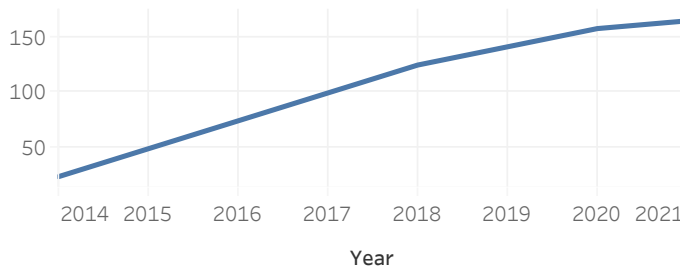


Female / Male
73% / 27%



Black / White / Other
48% / 16% / 36%

HOPE Inside Locations Over Time



HOPE Production

	Q2,2022	PTD
Clients Served	9,387	1,653,462
Financial Empowerment Services	28,855	5,074,091
HOPE Inside Adult	27,905	2,501,603
HOPE Inside Disaster *	*	1,494,972
HOPE Inside Youth	950	1,077,516

*Disaster services included in HI adult services for 2022

HOPE Highlights: Q2, 2022

\$6.4M
Home Loans



HOPE helped clients obtain \$6.4M in funded mortgage loans in Q2 - 2022; the total is more than \$2 billion.

In partnership with Fulton Bank, HOPE assisted in the distribution of 208 grants to assist in mortgage closings in quarter 2, 2022. These grants, totaling \$326,500, helped clients secure more than \$39M in mortgage lending. To date, this partnership has assisted in allocating more than \$8.6M in down-payment grants to help clients obtain more than 5,500 funded mortgage loans totaling more than \$947M.

Production Metrics	Q2 2022	Year-to-Date	Program-to-Date
Number of Down Payment Grants Awarded	208	392	5511
Down Payment Grant Awards Dispersed (\$USD)	\$326,500	\$645,000	\$8,601,751
Number of Loans Funded	180	335	6163
Loan Amount Funded (\$USD)	\$39,273,339	\$78,097,949	\$947,283,025
Total Applications	247	468	7747



533

Individuals built and grew their small business with HOPE in Q2 - 2022

1 Million Black Businesses (1MBB)

Since program inception (10.20.20 - 6.30.22), HOPE's 1 Million Black Businesses Initiative (1MBB) engaged over 6,300 individuals and delivered over 32,000 Black business development services.

6,362

Individuals engaged in 1MBB

32,574

Services to Black Businesses

1,010

Black Businesses Created

A Story of HOPE

"My name is Takisha Cross and I contacted Operation HOPE with the goal of purchasing a home. However, I was concerned that my loan application would be denied because of my low credit score. I desperately needed guidance and help. My friend mentioned a program with the Chicago Treasury, so I decided to try it. I spoke to HOPE coach, Ms. Natalie Llorente, and I was surprised with the help that I received. The Operation HOPE Credit & Money Management Program was something I had been looking for so I registered immediately. When I started the program with Operation HOPE, I had a credit score of 567 and a total past due debt of \$10,324. Natalie created a work plan which consisted of four assignments and tasks. I immediately began working on the four assignments. I settled my collection accounts and paid off my credit card account balance. I would like to say that it was not easy, and it took me some time to repair my credit. With the help of Operation HOPE I increased my credit score to 670 and I was approved for a mortgage loan. I am proud to say, that as of today, I am officially a homeowner. My mortgage loan was approved in the amount of \$266,000. It would not have been possible without the help of my Coach Natalie Llorente and Operation HOPE."

- Takisha C., Credit and Money Management Client, Chicago, IL

