



Impact Report 3Q19

Disrupting: Poverty

Empowering: Inclusion





Nearly 185 million people in the U.S. are under financial stress.

Sixty-three percent of middle-income Americans say they're unable to afford a \$500 car repair or a \$1,000 emergency room bill.

Fifty-one percent of the nation's credit users have subprime credit scores.

The majority of Americans in underserved communities live without financial opportunity, many in a generational cycle of poverty.

We're on a mission to disrupt that...

We believe everyone deserves financial dignity and equity of opportunity.

Operation HOPE - Growth

Since its inception in 1992 HOPE has served over 4.4 million individuals with financial empowerment and disaster recovery services. With 146 HOPE Inside locations (servicing individuals from 42 states and Puerto Rico) currently open across the country, HOPE has seen a 14% growth in number of services rendered from the second quarter to the third quarter in 2019. Impacting the lives of its clients everyday through financial counseling, HOPE increases client credit scores, helps clients create small businesses, turns renters into homebuyers, prepares youth via financial and entrepreneurial education, and helps clients recover from natural disasters.

Global Services

	3Q19	YTD	PTD
Total Global Client Services	45,187	114,397	4,440,578
HOPE Inside Adult Services (USA & SA)	41,090	99,796	2,015,380
HOPE Inside Youth Services (USA & SA)	1,981	12,069	1,061,295
HOPE Inside Disaster	2,116	2,532	1,363,903

HOPE Inside Adult

	3Q19	YTD	PTD
Financial Workshop Participants	11,849	35,218	846,102
One-On-One Counseling Services	25,550	56,714	475,044
Bank Referrals*	3,684	7,698	21,654
Call Center Calls	7	166	239,608
Cyber Café Membership and Usage	N/A	N/A	425,630
South Africa Adults	N/A	N/A	7,342

HOPE Inside Youth

	3Q19	YTD	PTD
Banking on Our Future (USA and SA)	1,771	11,113	1,049,624
HOPE Business In A Box (USA and SA)	210	956	11,671
HOPE Corps Volunteers	83	362	27,550
Number of Youth Businesses Created	2	10	396
Number of Start-Up Grants Awarded (USD)	0	5,100	121,676

*Data collection for this variable began in 2014

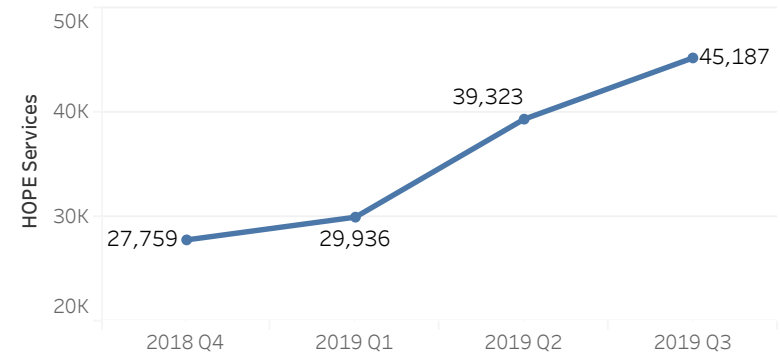
HOPE Inside Information - Global

Num. of HOPE Insides 146

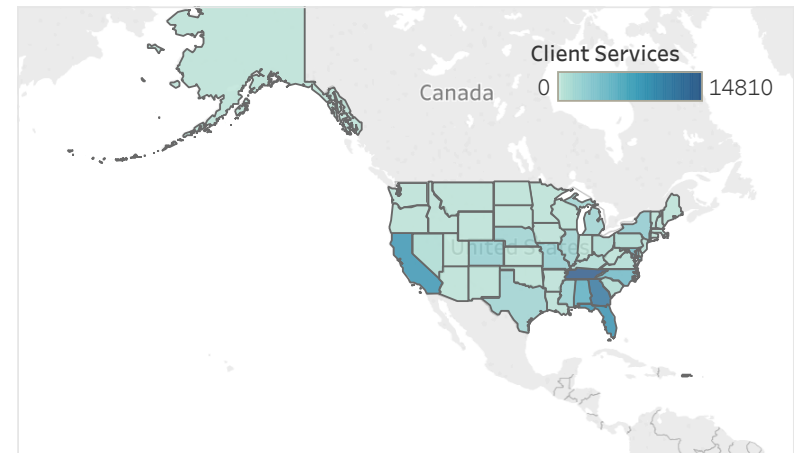
HOPE Programs

HI Adult: Credit, Small Business, Homeownership, Disaster; HI Youth: BOOF, HBIABA

HOPE Services Over Time



YTD (2019) Services by State



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 increasing client credit scores and savings, decreasing debt, and improving clients' overall financial health through better banking practices, budgeting, and financial planning.

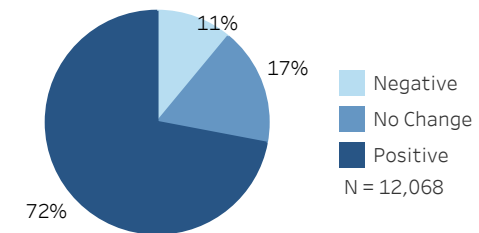
Clients who participate in HOPE services see a dramatic improvement to their financial health. Post-services, clients have less financial stress, are more satisfied with their financial situation, are more engaged with a traditional bank or credit union, are more likely to own their home and are more likely to have a savings account. In addition, clients engaged in counseling see on average a 25 point improvement to their FICO score, an average reduction of \$1,762 in debt, and an average increase to their savings of \$283 over 5.2 months -- a change that is much higher than other financial counseling nonprofits that see between an 11 and 18 point improvement in 12 months (see Urban Institute, 2015; PERC University of Arizona Report, 2005; Experian Report, 2016).

Regarding FICO scores, 72% 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 47 points, with more than 24% of clients reaching above prime FICO scores of 660 or higher. These improvements ranged from 1 to 449 points.

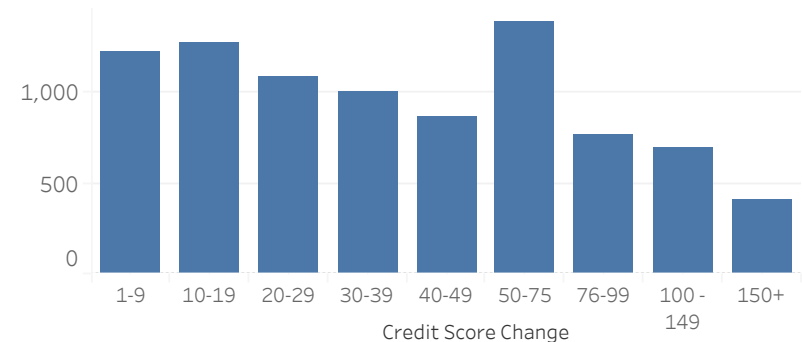
Similarly to FICO scores, HOPE is successful at reducing client debt and increasing client savings. Of those clients who saw a reduction to debt, the average debt reduction was \$6,538. To date, HOPE has successfully helped clients reduce over \$144 million dollars in debt and increase savings totaling more than \$8 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 11 points while those who engaged in more than 20 counseling services saw an average credit score improvement of 62 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.

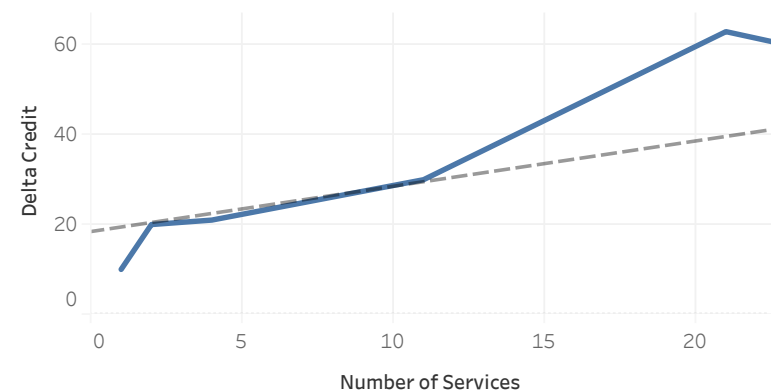
Change to FICO Score



Distribution of Positive FICO Score Change



FICO Change by Number of HOPE Services



Quarter 3, 2019 Review

HOPE is committed to measuring the impact of the services it provides. In 3Q19, HOPE exceeded its client service goal rendering over 44,000 direct services to clients inclusive of counseling sessions, group education, bank referrals and disaster services. HOPE successfully improved client lives by improving their financial wellbeing. Via pre and post-service assessments, HOPE is able to track its impact on client financial practices, stress and credit. Specifically, HOPE clients saw on average a **25 point improvement to their credit scores** in a short 5.6 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, decreases financial stress.

Regarding HOPE's homeownership program, in quarter 3, two additional HOPE coaches became HUD certified and over 690 were served with clients with First-Time Homebuyer education. HOPE assisted with the Closing Assistance Program for first-time homebuyers totaling more than **\$69 million in funded mortgage loans**.

HOPE also stimulated the communities it serves by helping its clients start over **130 small business** this quarter, 76% of which were started by women and minorities. Finally, with the younger generation, HOPE is instilling entrepreneurial aspirations, providing youth with **business mentors**, and teaching them the basics of finance so that they are better equipped to lead a life of financial self-sufficiency and **financial dignity**. With a failing grade of 46% on the financial literacy pre-test it is obvious that students in all markets served by HOPE are still in dire need of financial education. With more than 27,000 HOPE Corps volunteers across the country, HOPE is committed to providing youth with financial dignity and entrepreneurial training.

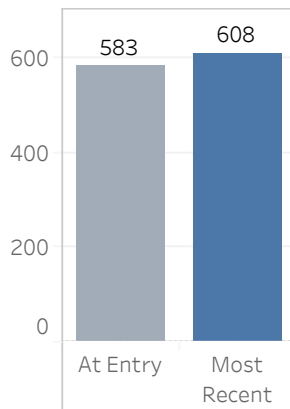
Client Financial Wellbeing

	At Entry	Most Recent
Budget (% Yes)	35.0	87.0
Clients Unbanked / Underbanked	31.0	8.5
Clients with Emergency Fund (% Yes)	19.0	70.0
Financial Stress (1-5)	4.4	2.7

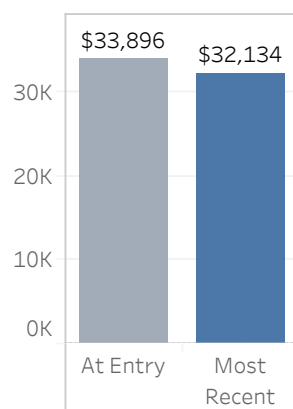
**1,485 New
Small Businesses
Created (2014 - 2019)**

**\$1.8 Billion in
Mortgage
Lending (2000-2019)**

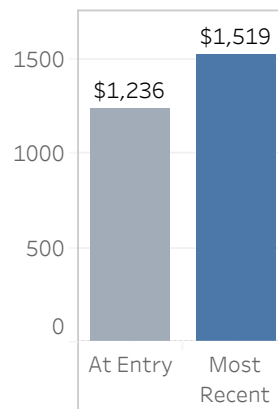
Client FICO Score



Client Debt



Client Savings



Youth Financial Assessment Results

