



# Global Impact Report

2020

## 2020 YEAR IN REVIEW

Total Global Services (2020)

**241,771**

Percent to Goal (2020)

**195%**

Avg. FICO Score Change

**+24 pts**



## A Story of HOPE

*"Today is the day we close on our home! After a long divorce proceeding and a longer pregnancy, we are here! Thank you for allowing me to call you at midnight and cry. Thank you for fussing at me about my credit cards and savings, it was all worth it. We saved \$3,000 and didn't have to use any of it because of the first-time homebuyers' programs you found for me in Alabama. My son and I are grateful. Thank you for everything!"*

*This was the last correspondence I received from my HOPE client, Kamesha Powers, prior to her signing her closing documents. My client started the program feeling down and aggravated because of personal issues. She was in the process of leaving an emotionally abusive marriage and had relocated to her parent's home in Athens, TN, all while being 6 months pregnant with her first child. Theresa Schmitt with First Bank-Huntsville entrusted her to me. The first meeting was tough as we had to get to the "whys" of her financial picture. Once completed, we devised a plan to start small with her savings and focus on paying down debt. My client started with \$15 in her savings account and \$45 in her checking. Our plan was to start with \$10 per pay period then increase from there. My client also had \$27K in charge off and collections debt, most of which was her spouse's debt. After several rounds of debt validation letters and debt settlements, our final total in charge off and debts was \$922. My client's final savings total was \$3,000! Our budget conversations were our biggest disagreements, but after a few rounds counseling Kamesha finally stuck to our budget. The client started with a 579-credit score in 2019. On her day of closing, she had achieved a score of 699! There has been many tears, heated discussions, and moments of laughter, but when my client finally had her epiphany and saw that her goals were attainable, she increased her focus. Today this single mom of one lives in a 4 BR, 3.5 BA home in Huntsville."*

*-Tiffany Roan, HOPE Financial Wellbeing Coach, Credit and Money Management and Homeownership Programs, HOPE Inside First Bank, Nashville, TN*

## HOPE Inside Overview

Number of HOPE Insides 157

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 \$35,883. At entry, the client had an average FICO score of 590, average total debt of \$4,323 and an average savings of \$435.

Avg. Household Income  
**\$35,883**

% Clients Low-to-Moderate Income  
**84%**

Hispanic / Non Hispanic  
**12% / 88%**

Female / Male  
**65% / 35%**

Black / White / Other  
**57% / 26% / 17%**

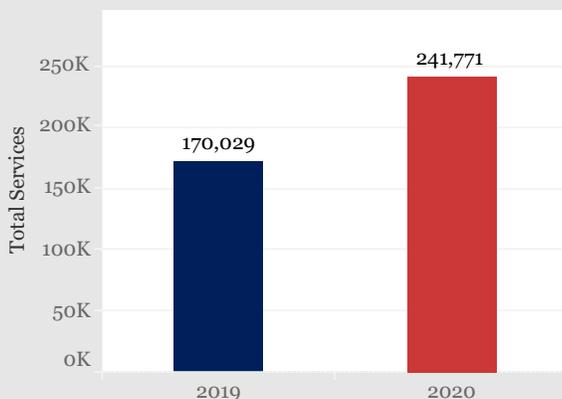
## HOPE Growth

Since its inception in 1992, HOPE has delivered over 4.7 million financial empowerment and disaster recovery services to individuals, families, youth, and small businesses. With 157 HOPE Inside locations (servicing individuals from 46 states and Puerto Rico) currently open across the country, HOPE served 43,693 clients in 2020 -- an 18% growth in individuals served compared to the previous year. Successfully pivoting all financial empowerment services to virtual platforms, enhancing its call center, and launching a mobile application, HOPE was able to meet the financial needs of its minority and low-to-moderate income clients nationally during difficult financial times.

## Global Services

Production Metrics	2020	PTD
Total Global Services	241,771	4,738,397
HOPE Inside Adult Services	174,876	2,236,968
HOPE Inside Disaster	62,847	1,431,608
HOPE Inside Youth Services	4,048	1,069,821

## Total Services Delivered 2019 vs. 2020



## HOPE Inside Service Details

	2020	PTD
Financial Group Education Participants	56,817	919,017
One-one-One Counseling Sessions	97,143	599,604
Bank Referrals	15,835	40,758
Call Center Calls	5,081	244,617
Cyber Café Membership & Usage	0	425,630
South Africa Adults	0	7,342
Disaster Workshops and Counseling Services	35,124	1,403,885
COVID-19 Disaster Assistance and Referrals	27,723	27,723
Banking on Our Future (USA and SA)	3,727	1,057,411
HOPE Business In A Box (USA and SA)	321	12,410
HOPE Corps Volunteers	255	27,987
No. of Start-Up Grants Awarded (USD)	0	122,176
No. of Youth Businesses Created	0	405

# 2020 in Review

## Financial Coaching in the Era of COVID-19

For most of 2020, HOPE's efforts were targeted on helping clients financially prepare for and recover from the COVID-19 pandemic. This includes helping clients negotiate with creditors; increase credit scores; access credit; connect with social services; increase their savings; create financial budgets so they are able to survive the months ahead, and improve clients' overall financial health to make them financially resilient. Since March 15, 2020, HOPE's credit, small business, and homeownership coaches have delivered over 191,000 virtual resilience and recovery financial services in the era of COVID-19.

**191,248**  
Financial Empowerment Services  
during COVID-19

**\$2.2 Million**  
Small Business Recovery Loans  
Secured by HOPE Clients

2020 was marked with significant events, including a worsening COVID-19 pandemic and social unrest across the country. Because of these factors, HOPE focused its efforts on minority small-business creation and resilience. HOPE successfully launched its newest initiative, 1 Million Black Businesses (1MBB), with founding partner Shopify, in October, 2020. To date, HOPE has helped over 600 entities apply for Economic Injury Disaster (EIDL) and Paycheck Protection Program (PPP) loans. These applications totaled more than \$2.6 million in recovery aid, of which \$2.2 million were secured by minority (89%) and female business owners (55%).

### Building Wealth for HOPE Clients

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 load-ready and provided entrepreneurial training.

In tandem with its efforts around helping existing and small-business owners survive COVID-19, HOPE also stimulated the communities it served in 2020 by helping 776 clients start new small businesses, a majority of which (72%) were started by women and minorities. To-date, HOPE has helped 2,509 clients start new businesses.

On the homeownership side, in conjunction with the Closing Cost Assistance Program, in 2020, HOPE helped:

- 1,532 New Homeowners
- Clients Obtain \$283 Million in Mortgage Loans
- Deliver 3,363 Homeownership Education and Counseling Services



## COVID-19 Services Delivered\*

	YTD
Small Business Recovery / SBA Loan Assistance	16%
Small Business Technical Assistance Counseling	39%
Mortgage Delinquency / Foreclosure Prevention	1%
Consumer Credit / Debt Deferment	27%
Financial Recovery Planning	37%
Credit and Money Management Counseling	54%
Bank Referrals	13%
Referrals to Other Recovery Services (e.g. ARC)	53%

\*Can add to more than 100% as many clients receive multiple services.

## Access to Capital

	YTD
Mortgage Loan Applications	2,201
Mortgage Loan Applications in \$	369,413,317
Mortgage Loans Funded	1,532
Mortgage Loan Funded in \$	283,768,311
Small Business Loan Applications	757
Small Business Loan Application in \$	6,444,579
Small Business Loans Funded	191
Small Business Loans Funded in \$	3,489,129
New Businesses Created	776

# ▶ The Impact of HOPE

## Financial Improvements After Counseling

HOPE's post-service evaluation tracks client improvements across a host of financial variables. During 2020, the negative financial effect of COVID-19 on clients was more profoundly witnessed by HOPE coaches. However, although HOPE's standard impacts were mitigated by the pandemic, HOPE is happy to report that the outcomes, for a sample of more than 20,000 clients, demonstrate that HOPE is making a positive financial impact in all measured categories of financial health.

Among the clients who saw an improvement to their FICO score, the average improvement was 52 points with 30% of clients reaching above prime FICO scores of 660 or higher. Among the entire sample of clients, the average FICO score improvement 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 Report, 2016).

**+52 Points**  
Avg. FICO Score Increase  
Among Clients Who Saw An Improvement

Similarly to FICO scores, HOPE is successful at increasing client savings and reducing client debt. To date, HOPE has successfully helped clients reduce over \$160 million in debt and increase savings totaling more than \$10 million.

**-\$1,270**  
Avg. Decrease in Total Debt  
Among All Clients

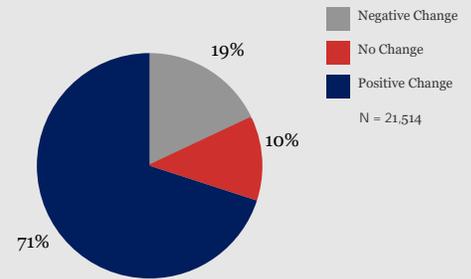
**+\$245**  
Avg. Increase in Liquid  
Savings Among All Clients

3 out of 4  
Clients Are Less  
Financially Stressed

## Increased Engagement Matters

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 12 points while those who engaged in more than 20 counseling services saw an average credit score improvement of 64 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.

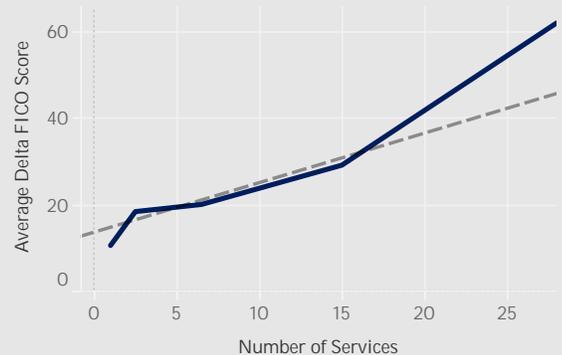
## Change to FICO Score



## Distribution of Positive FICO Score Change



## FICO Change by Number of HOPE Services





# Partner 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.