



ANNUAL REPORT

2019

THIS WAY UP

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## letter from the CEO

In reflecting on today’s times and assessing whether true economic progress had been achieved in the U.S. over the past thirty years, we concluded that it was time to embrace a bolder, newer vision for our organization. This new vision is based on the evidence that financial inclusion is no longer enough and that instead, we need to aim higher by seeking to create a world of **financial ascension for all**.

Our bold new vision inspired our new name, “Ascendus.” The name stems from the word “ascend,” which means to rise, combined with the word “us,” which reflects our belief in **collective and collaborative action to truly empower entrepreneurs and improve lives**.

To achieve our new vision, we understood that our work must remain focused on certain people in certain places because unfortunately, opportunity in our country is not equally distributed. Our work will focus on serving people and places that need us most.

For this reason, we are proud that 2019 represented a high-water mark for our mission; **the greatest dollar volume of lending in 11 years!** However, beyond the quantity, we are most proud of the quality of our work because it remained focused on people and places, including:

- \$1.2 million in capital to over 100 small business owners in the South Bronx, one of the poorest regions in the country, through the Entrepreneur of Color Fund program; and
- \$1.8 million in capital to over 130 home-based childcare providers through our Childcare Provider Initiative, which primarily supports women business owners in low- to moderate- income neighborhoods who are often shut out of mainstream financial support.

Our mission momentum and focus continued through the COVID-19 pandemic where we have provided **\$10.7 million in urgent relief to 890 small business owners** since March 2020. This support has enabled them to not only survive the pandemic, but to build financial resiliency to outlast it.

Embracing a bold new vision, rebranding an organization and staying focused on mission during a pandemic are not easy orders; in fact, they are very, very difficult. However, our board and staff have successfully persisted and progressed because we are buoyed by the ethos of six shared values: adaptability, dedication, empathy, inclusion, integrity and passion.

As we write the newest chapter of our organizational history, we welcome you to join us on a journey whose destination is the empowerment of entrepreneurs, the improvement of lives and the achievement of both, together.

Paul Quintero,  
CHIEF OPERATING OFFICER



## who is Ascendus?

as·cend  
/ ə'send/ verb  
to rise, advance, and make one’s way up

Stemming from the word *Ascend*, meaning “to rise, advance, and make one’s way up,” and combined with the word *us*, to represent the collaborative efforts of our allied success and the positive impact our work has on communities, Ascendus highlights a renewed focus on our central goal: empowering entrepreneurs and improving lives, together.

Our name represents a bold, fundamental shift in vision from financial inclusion to creating a world of financial ascension for all.

For 30 years, Ascendus has worked to address the nationwide issue of financial inequity by empowering low-to-moderate income business owners with access to capital and support.



## our values

*Ascendus is guided by six core values:*

### inclusion

**We create community. We value the contributions of every person.**

### adaptability

**We are innovators; we continually improve ourselves and our world. We take risks to do so.**

### empathy

**We walk in others' shoes. We know that true understanding must occur at an emotional and intellectual level.**

### integrity

**We earn trust by making promises – and keeping them.**

### passion

**We are proud about being Ascenders; we work to honor our values in everything we do.**

### dedication

**We give 100% at all times. We are committed to Ascendus, our mission and our clients.**



## who we serve

**50%** women

**79%** business owners of color

**60%** immigrants

**65%** low-to-moderate income (LMI)

A national organization, our work is concentrated in key markets along the East Coast.

**45%** New York

**19%** Southeast U.S.

**21%** New England

**15%** Central and West U.S.

We broadened our programs to reach an increased number of individuals of color, women, and immigrants



with the help of Ascendus:



**95% of client businesses** remain open **2 to 3 years** after their loan.



Clients are able to create and/or sustain **2.9 jobs** with each loan.



Clients are able to provide an **average hourly wage of \$14.80** for their employees in comparison to the average minimum wage of \$8.50.



**69% of clients** feel in control of their financial situation and **73% of clients** feel able to handle their financial future.

addressing the need



#### ACCESS TO CAPITAL

**Black and Latinx entrepreneurs** have a loan approval rate of just **29%** and **50%**, compared to 60% for white entrepreneurs.



#### FINANCIAL HEALTH

In April 2020, the financial health of **37% of Black-owned businesses** and **31% of Latinx-owned businesses** was found to be “at risk.”



#### FINANCIAL CUSHION

Half of all small businesses hold a cash buffer of less than a month. **94% of businesses in majority Black communities** and **89% of businesses in majority Latinx communities** have fewer than 14 cash buffer days.



#### REVENUE

In 2019, the **average annual revenue of women-owned businesses** was just **half** of the average annual revenue of businesses owned by men.

## 2019 in numbers

<b>1,007</b> loans to small business owners	<b>273</b> new businesses funded
<b>\$15M</b> in capital provided	<b>734</b> existing businesses secured or expanded
<b>+\$1.2M</b> more than last year	<b>5,800</b> entrepreneurs provided with guidance and support
<b>+\$8.5M</b> more than 5 years ago	<b>3,200</b> jobs created and sustained

In the three decades since our founding, we have lent \$200 million to more than 22,000 small businesses nationwide.



“Today, it feels great to finally see the fruition of a vision from so many years ago.”

## O&E Childcare

Inspired by the sense of opportunity she was given as a child through her school’s music program, Elizabeth Galloway founded **O&E Childcare** in 2013 with her mother, Olean Ferguson, to give children in her Bronx neighborhood the same sense of possibilities. O&E Childcare offers activities such as music and exercise to boost the self-confidence of the children who attend.

With their loan, Elizabeth and Olean were able to purchase new and improved equipment for the children, including musical instruments, which enabled them to increase enrollment.

Today O&E Childcare continues to serve its community by **ensuring employment** for working parents and **reliable, educational childcare** for their children.





## supporting food and beverage entrepreneurs

Ascendus has a long history of supporting small business owners in the Food and Beverage industry. Over the last decade, Ascendus has provided **681 loans totaling more than \$8.3 million** to food and beverage entrepreneurs in communities all along the East Coast, **creating and/or retaining approximately 1,950 jobs** in their local communities.

In 2019, we hosted three speed coaching events in our core markets in partnership with **Sam Adams' Brewing the American Dream program** – supporting **130 small business owners with networking opportunities and business planning and advice from industry experts**. Additionally, we provided 15 food and beverage small business owners with **\$657,000 in capital** and 70 entrepreneurs with **business mentorship** through the partnership.

In November 2020, we announced an exciting new **partnership with the Restaurant Workers Community Foundation** to restart food and beverage businesses impacted by the COVID-19 pandemic and to re-imagine how to provide fair wages, gender equity, racial justice, and mental health for workers in the future.

## COVID-19 relief & recovery

As the COVID-19 health crisis developed in March 2020, Ascendus quickly mobilized a three-pronged approach to adapt and respond to the crisis:

First, we ensured the health and safety of our staff by moving our day-to-day operations fully remote, and since March 13 we've continued to operate seamlessly and from the safety of our homes.

Second, we met the needs of our clients by providing **\$10.7 million in urgent relief to 890 small business owners** since March 2020 (including \$5.9M of Payroll Protection Program – PPP – loans) and **over \$30M in direct grants to over 2,200 small business owners**.

Finally, we protected the organization by growing new grant and debt capital support for our relief and recovery efforts.







“Ascendus gave us the opportunity to grow. We now have more space, more people, and more energy.”

## Arepasmania

Diego Castillo and his parents started Arepasmania to share their Colombian heritage, and specifically the rich and distinguished flavors of their cuisine, with their community. When they opened in the food court of a mall in 2017, the success was immediate.

Yet in early 2020, Diego and his parents found themselves facing an unprecedented challenge as the COVID-19 pandemic forced the mall, and thus Arepasmania, to close for two months. Even when the mall reopened, Diego and his parents remained uncertain of the future of their business, as crowds were a fraction of what they once were.

However, Diego and his parents also received a **PPP loan** from Ascendus, which provided a lift, not only for them, but for the individuals they employ. Diego has also pushed himself creatively to adapt, growing as an entrepreneur along the way. Now feeling confident about navigating the path ahead, Diego looks forward to seeing his community bounce back.



## Community Advantage

In 2019, we continued to grow our **7a SBA Community Advantage program**, which provides small business loans ranging from \$50,000 – \$250,000. We disbursed \$3 million in capital to 29 small business owners, \$600,000 more dollars than in 2018.

Since the program’s inception in 2016, we have provided over **\$8.6 million dollars to 77 entrepreneurs** through April 2020. This significant impact over a short period of time enabled us to rise from the 100th lender in the program in 2016 to now the 11th.

**In 2019, we saw four Community Advantage clients graduate to bank financing and secure a loan from a traditional lender.** This demonstrated the power of our Community Advantage program to create a bridge to bankability and lasting self-sufficiency. In short, we created financial ascension for these four clients.



## Entrepreneurs of Color Fund

2019 marked the end of the **Entrepreneurs of Color Fund program**, a program made possible by **JPMorgan Chase** and **Excelsior Growth Fund**. The program required focus, innovation and collaboration to provide access to capital and financial education directly to entrepreneurs of color in the South Bronx, a county whose poverty rate is twice the national average.

Since the program's inception in 2018, we lent **more than \$1.2 million in capital to over 100 small business owners** who would otherwise not have access to financial resources. The program demonstrates our ability to innovate for impact.

In 2019 and as a result of this program, we served 3 times as many entrepreneurs and disbursed 14 times as much capital in the Bronx than in 2017, the year before the program began.



## EOCF and South Bronx Lending

2019 marked the end of the **Entrepreneurs of Color program**, a program made possible through our partnership with **JPMorgan Chase** and **Excelsior Growth Fund**. The program brought access to capital and financial education directly to entrepreneurs of color in the South Bronx, one of the poorest regions in the country where the poverty rate is over double the national average.

Since the program's inception in 2018, we've lent **more than \$1.2 million in capital to over 100 small business owners** who would otherwise not have access to financial resources. The program demonstrates our commitment to supporting the most underserved and otherwise systematically excluded communities.

In 2019, we provided **\$1.5 million to 120 small business owners in the Bronx**, three times the amount of entrepreneurs served and 14 times the capital disbursed in 2017.





### 4-Star Rating from Charity Navigator

For the 6th consecutive year, we received a four-star rating from Charity Navigator in recognition of our financial health, accountability and transparency.



### SBA Microlender of the Year Award in MA

For the 7th consecutive year, we were recognized with the SBA Microlender of the Year Award in Massachusetts for our continued support of Massachusetts entrepreneurs.

In the fiscal year of 2019, Ascendus provided 24 Massachusetts small business owners with SBA Microloans totaling over \$324,700 in capital. Through the SBA lending program, we were able to provide \$2.1 million to 141 small business owners throughout the East Coast.



### SBA Community Partner of the Year Award in FL

In May, we received the SBA Community Partner of the Year Award for our powerful and longstanding impact within the Florida small business community.

This was also our second year in a row winning recognition from the Florida SBA. In 2019, we provided \$529,000 to 38 Florida small business owners through the SBA program.



### Community Development Financial Institutions Fund

For the seventh time in eight years, we received the CDFI Fund's Award. One of the most competitive awards nationwide for our field, this award is a testament to our scale, impact, and leadership in empowering the most financially marginalized entrepreneurs.

**we believe in the  
power of up.**

#### **a focus on vision and values**

We will be guided by our vision of “creating financial ascension for all”, achieved by serving certain people in specific places that need us most, and always inspired by our lived values of adaptability, dedication, empathy, inclusion, integrity and passion.

#### **innovation for impact**

We will continually introduce products, services and offerings that advance the achievement of financial ascension for those we serve.

#### **collaboration**

We will partner with others on a journey of empowerment and improvement for the entrepreneurs we serve and the lives and communities they support. After all, “us” is in our name.

#### **agility**

We will remain nimble and entrepreneurial, rapidly implementing small but progressive evolutionary changes that will cumulatively achieve a transformative revolution.



thank you to our  
2019 Ascendus supporters

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thank you  
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Janet Thompson  
Faye M. Chandler  
The Estate of Chaninah Maschler

The Janet Thompson Society honors and recognizes those loyal supporters who are helping to ensure families have access to the financial tools they need to achieve economic security through planned giving.

## help support our mission

Your support is what enables us to go above and beyond for our clients, delivering the resources they need to endure obstacles, provide for their families, and thrive in their communities.

donate at [ascendus.org](https://ascendus.org) to  
make an impact that lasts.

Ascendus™