

# Ascendus<sup>®</sup>

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MISSION GROWTH THROUGH INNOVATION

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## **CEO Letter**

**Impact**  
**Innovation**  
**Inclusion**  
**Growth**

In 2022, Ascendus focused on four key strategies to address the new challenges of our small business owners:

- Impact: Shifting from just access to capital to include improved financial health to increase our positive impact on clients
- Inclusion: Increasing inclusion for those most affected by the pandemic
- Innovation: Innovating new offers to address the new challenges, and
- Growth: Growing the organization through collaboration, inclusion, and innovation.

The shift to financial health reflected our understanding that financial inclusion was no longer enough. More than ever, our clients needed to be financially healthy, which we define as being resilient and able to access opportunities over time. **To measure financial health, we spearheaded a new impact measurement framework to longitudinally measure our clients' progression across credit, cash flow, and financial health indicators.** We are implementing the framework in 2023.

One lesson from the last two years is that the pandemic disproportionately and adversely impacted communities of color. For this reason, we increased the inclusion of women and entrepreneurs of color in our lending work. **In 2022, Ascendus lent 78% of the capital made available to entrepreneurs of color, mostly Black and Latin American.**

We innovated and launched three new offers to address the new challenges faced by small business owners.

- First, we launched our "**Line of Credit Program**," a revolving, evergreen capital solution that provides access to capital when needed.

- Second, we launched our "**Rideshare Program**," a unique solution for self-employed entrepreneurs offering delivery and transportation services, a group traditionally denied capital.
- Finally, we launched the "**Get Ready**" Line of Credit Program, focused on Black business owners who would otherwise not qualify by providing a small line of credit that grows 10x within six months and can increase FICO credit scores by up to fifty points. The goal is to help Black business owners "get ready" to access significant future capital.

Ultimately, Ascendus grew its mission. In 2022, we:

- Capital made available to small business owners was more than \$38.4 million (over twice our pre-pandemic level)
- Increased our loan portfolio outstanding by 52%
- Increased our net assets by \$4.4 million.

"My barn having burned down, I can now see the moon," wrote Mizuta Masahide, the 17th-century Japanese poet and samurai. Despite the infernal effects of the pandemic on business activity, followed by rising rents, inflation, increased interest rates, and labor shortages, our small business clients continued looking upward and forward to remain hopeful and resilient. Ascendus was lockstep behind them, guiding clients on their journeys.

Our vision of "financial ascension for all" served as our moonlight during the long, dark pandemic storm. Our strategic focus on impact, inclusion, innovation, and growth met the day's needs. With your continued support, we hope to continue adapting to future challenges as we guide our clients and our organization, 'This Way Up!'



# IMPACT

Shifted from just access to capital to include improved financial health to increase our positive impact on clients

**10,947**

Small businesses served nationwide

**3,200**

Jobs created and saved

**\$38.4 million**

Loan capital deployed

**10,000**

Hours of direct counseling to 1,156 individuals

# Created a new impact framework focused on financial health

Financial health measures the ability to **access opportunity** and be **resilient** over time, and is grounded in growing credit, cashflow, and financial health indicators.

The shift to financial health reflected our understanding that financial inclusion was no longer enough.

More than ever, our clients needed to be financially healthy: resilient and able to access opportunities over time.

To measure this, we spearheaded a new impact measurement framework to longitudinally measure clients' progression across credit and cash flow, and will implement this in 2023.





# The impact one loan can make

Stories of Ascension:  
Focusing on the Future



# INNOVATION

Innovated new offers to address new challenges

**The Get Ready Program:  
Developed better credit outcomes for Black entrepreneurs**

**Rideshare Loan:  
Provided a financial lifeline and security**

\$1.4MM to 105 rideshare drivers -  
100% entrepreneurs of color



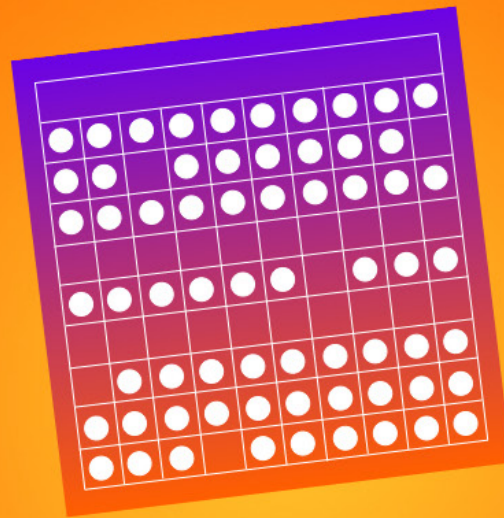
## Line of Credit: Our first revolving capital product\*

\$1.3MM to 115 small business owners -  
100% entrepreneurs of color

“It makes a world of difference to have someone believe in you. Ascendus gave me resources, helped me build credit, and helped me prove that I could pay back a loan.”

**Emelyn**  
STUART CINEMA AND CAFE  
BROOKLYN, NY





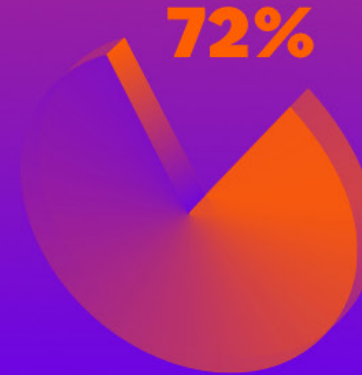
Reduced declination rates by 40% through the launch of a smart new scorecard

# INCLUSION

Increased inclusion for those most affected by the pandemic



Entrepreneurs  
of Color



Low- to- Moderate-  
Income Clients

**We Served**

# Created in-house loan funds for clients locked out of COVID-19 support

\$2.4MM to 112 small business owners through support from the CDFI Rapid Response Program and the state of Massachusetts

“When the pandemic started and we lost the majority of our clients we didn’t qualify for grants or loans as we were very small.

Ascendus believed in us and gave us a loan for us to invest in our company and help us pivot our business to launch three new products.”

**Juan**

**KIKOS COFFEE AND TEA  
BOSTON, MA**





## Supported homebased childcare for women

**\$1.5MM to 85 small business owners -  
100% women entrepreneurs of color,  
who created 238 jobs**

“I love Ascendus. They answered my questions right away, and they helped me so much when so many doors had closed for me.”

**Evelyn**

**LITTLE STEPS FAMILY DAYCARE  
BOSTON, MA**





## Built safe and equitable restaurants

\$644,000 to 16 small business owners  
deployed through the Restaurant  
Futures Loan Fund

“I started off with a food truck. Now I have three restaurants. All because Ascendus gave me that first loan.”

**Ernie**  
JAMAICA MI HUNGRY  
BOSTON, MA

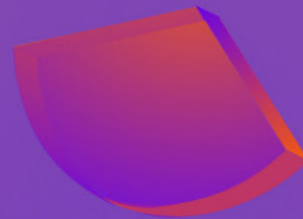
“Capital access remains the most important factor limiting the establishment, expansion, and growth of minority-owned business.”

-U.S. Chamber of Commerce



In Black or Hispanic communities, most small businesses had fewer than 14 cash buffer days on-hand

31%



Only 31% of small businesses who applied for capital in 2021 received what they needed

40%



40% of Black and 30% of Hispanic households are unbanked or underserved compared to just 12% of white households



# GROWTH

Grew the organization through collaboration, inclusion, and innovation



Deployed 2.5 times the annual capital deployed before COVID-19

\*Includes \$5.9 million and \$26.3 million in PPP lending in 2020 and 2021, respectively



## \$25.6MM to 388 small business owners

through regional Special Purpose Vehicle Programs

### **Growth Through Collaboration:**

Designed and participated in regional Special Purpose Vehicle Programs.

Grew our reach in the South and Pacific Northwest through programs such as

The Southern Opportunity and Resilience Fund (SOAR), The

Washington Flex Fund, and The

Connecticut Small Business Boost Fund

“We are so grateful to Ascendus. We hope to continue giving back as much as we can because of the help we have received.”

**Max and Gladys (SOAR recipients)**

**MILANEZZA  
MIAMI, FL**



**\$30.4MM and 981  
loans to Black,  
Hispanic, or  
women small  
business owners**

Growth Through Inclusion:  
Industry focus on childcare and  
restaurants through in-house loan  
funds.

**\$2MM and 155  
loans through  
new programs**

Growth Through Innovation:  
Created new programs like the  
Line of Credit and Rideshare  
Programs.





**We hired and  
grew our team  
by 30%**

We expanded to new geographies,  
and added new roles.

# FINANCIALS



**Total net assets**

**82%**



**Expenses  
attributed to  
program  
services**

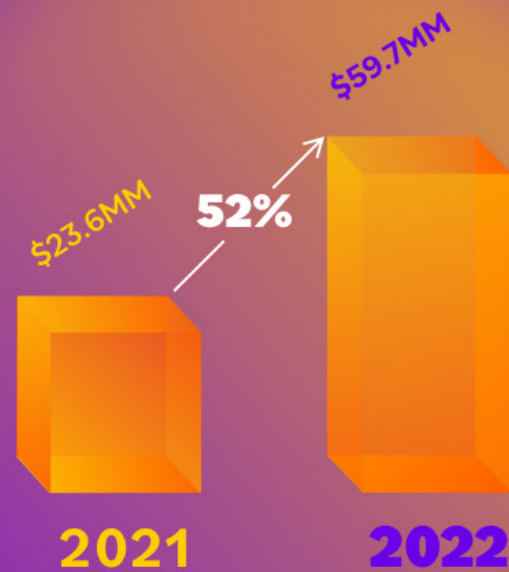
**2.4%**



**Delinquency  
rate**

(excluding PPP loans, 30 DPD)





## Total portfolio serviced

(before participations)

# THANK YOU

Your support creates financial health for small business owners and jobs and services for their communities

## Institutional Donors

Apple Bank  
Bank of America Charitable Foundation  
Bank United  
Berman Aries Family Charitable Fund  
Boston Beer Company  
Cambridge Savings Bank  
Capital One Bank  
Clark Foundation  
Community Development Financial Institutions Fund  
Dime Community Bank

Eastern Bank Charitable Foundation  
Empire State Development  
Goldman Sachs & Co.  
HAB Bank  
HSBC Bank USA  
Hyde & Watson Foundation  
Investors Bank Charitable Foundation  
JP Morgan Chase Foundation  
Lawrence Foundation  
Massachusetts Growth Capital Corporation  
MetLife Foundation  
Miami Foundation

Mizuho USA Foundation  
Morgan Stanley  
Moses Kimball Fund  
New York City Council  
Paul and Edith Babson Foundation  
People's United Bank  
Point23Health Foundation  
Popular Foundation  
Revolve Asset Management  
Roy A. Hunt Foundation  
Santander Bank  
Schwab Charitable Fund  
Signature Bank  
Silicon Valley Bank  
State Stox New York

\*Thank you to our recurring donors.

Sterling National Bank  
TD Bank  
TD Charitable Foundation  
TIAA Bank  
US Small Business Administration  
Valley Bank  
Vidda Foundation  
Wells Fargo Foundation  
William and Patricia Robbins Char-  
itable Fund  
Wilmington Trust

### Individual Donors

Adam Grenier  
Alan Cody and Edith Moricz  
Amy Hellen  
Andrew Epstein  
Anonymous  
Aurelina Romero  
Barbara Romani  
Cheryl Myers and Steve Stockton\*  
Clara Diaz-Leal  
Colleen Galvin\*  
Cristina Shapiro\*

Daniel Delehanty\*  
Diana Waterbury  
Fabiana Estrada  
Fazeela and Shameer Yasin  
Gina Scime  
Henry, Catherine, and Will Lanier  
JJ Singh  
Jeanne Celestin  
Jerome Weiss\*  
Jerry and B Lynn Crane  
Jessica Daniels and Paul Blackborow  
Joel Abrams  
Joseph Hernandez  
Kimberly Johnson  
Laura Miller\*  
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Lisa Servon  
Lynn Patinkin  
Mario Dore-Bernhard  
Marsha Tucker  
Matthew Zlatnik  
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Michael Carnahan  
Mihai Vrasmasu

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Stephen Cassell  
Steven Dinanno  
Sudhir Jain  
Sulondia Hammond  
Suzanne and Paul Lipsky  
Tyler Van Gundy  
Todd Flolo\*  
Victor Rodriguez  
William Burrus  
Zara Ingilizian



# ABOUT US

We believe in the Power of Up

Ascendus envisions a world of financial ascension for all. Our organization empowers low- to moderate-income (LMI) business owners with access to capital and financial education. With money and advice, small business owners have better access to opportunity, are more resilient in the face of adversity, and create opportunity for their employees, families, and the community. This Way Up!



4 Star Charity



CDFI Fund's Financial Assistance (FA) Award



GuideStar Platinum Seal of Transparency

# Ascendus<sup>®</sup>

**The Ascendus  
headquarters has moved!  
We are now located at**

25 Broadway, 10th Floor  
New York, NY 10004