



2019 Impact Report

WASHINGTON AREA COMMUNITY
INVESTMENT FUND



Wacif



Wacif

2019 IMPACT REPORT

This report reflects the impact made possible through the shared commitment of Wacif and its partners to the entrepreneurs and communities we serve. That shared commitment will bring us closer to our vision of equity, inclusion, and opportunity, and communities where people can thrive through entrepreneurship.

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During Art All Night, Minnesota Avenue Main Street (MAMS), a Wacif program, supported by the DC Department of Small and Local Business Development, transformed the retail storefront located at 3905 Benning Road NE into a creative pop up gallery space featuring a diverse roster of artists' work, along with live painting and global beats. "Boy art painting," the photo featured here, was conducted in the window to attract passing visitors.



A LETTER FROM OUR CEO

The world has changed dramatically since 2019. While this Impact Report details the many ways Wacif advanced its mission of equity and opportunity in 2019, it would be strange not to speak to how we've supported entrepreneurs and communities in the face of COVID-19, economic disaster, and this year's social unrest. Like the entrepreneurs and communities we serve, our team has stepped up to lead, greatly increasing Wacif's impact. Between January and June 2020, Wacif deployed financial capital to more than 1,000 entrepreneurs and increased its volume of advisory services fourfold compared to the same period in 2019. Our team has offered comprehensive relief to entrepreneurs and communities, joining public and private sector partners to make new capital available, offer loan payment coverage to all Wacif borrowers, and deploy advisory services programming tailored to the needs of COVID-impacted entrepreneurs.

In this context, it is important to look back at 2019 as a year that positioned Wacif to deepen its leadership role. Wacif significantly increased its investments in inclusive entrepreneurship, community wealth-building, and equitable economic development. Wacif's loan volume grew by 140% between 2017 and 2019, and in 2019, 96% of the organization's lending went to entrepreneurs of color. Similarly, the volume of Wacif's advisory services more than doubled between 2017 and 2019.

To accelerate its impact, Wacif launched new initiatives and broadened its reach through national and local awards.

Together with community and financial partners, in 2019 Wacif launched the Greater Washington, D.C. Entrepreneurs of Color Fund, a partnership that drives capital to combat the racial wealth gap in entrepreneurs of color, disproportionately affecting their ability to access the capital needed to start and grow businesses. Wacif's Ascend Capital Accelerator, a rigorous cohort-based program that helps underserved entrepreneurs grow their businesses, received the SunTrust Foundation's 2019 Lighting the Way Award, recognizing the program's innovation and impact since being launched in 2017. Wacif was also honored to be named the 2019 Nonprofit Organization of the Year by the DC Chamber of Commerce and the DC Department of Small and Local Business Development. The challenges underserved entrepreneurs and communities face — from disparities in household income and business valuation to structural barriers in access to capital and advisory services — have been exacerbated by COVID-19. While the specific contours and challenges of 2020 were unknown, Wacif has been preparing for a moment of economic and social uncertainty, and the organization is positioned to be a strong partner for the communities we serve, precisely when they need us most. This report reflects the impact and preparedness made possible through the shared commitment of Wacif and its partners to the entrepreneurs and communities we serve. That shared commitment will see us through this challenging time and bring us closer to our shared vision of equity, inclusion, and opportunity.

Harold B. Pettigrew, Jr.

CEO

PREPARING FOR THE YEAR TO COME: 2020 AT A GLANCE

The ongoing pandemic continues to exacerbate systemic challenges faced by underserved entrepreneurs and small businesses. Many of Wacif's clients have been denied, or are unable to access, financial relief from commercial banks, putting Community Development Financial Institutions (CDFIs) like Wacif in a unique position to serve on the front lines of community and economic development by helping underinvested small businesses grow, create jobs, and build community wealth.

To support the recovery and resilience of those entrepreneurs, Wacif is providing comprehensive financial and programmatic relief through the deployment of grants, debt relief, and rolling COVID-specific advisory services and peer-to-peer support. Wacif's ability to meet this moment reflects the organization's investment in organizational infrastructure and deepened capacity for scale. Between January - June 2020, Wacif deployed more than \$5 million to over 1,000 entrepreneurs. Similarly, Wacif provided 465 units of advisory services between April and June 2020, a nearly 500% increase over the same period last year. Many Wacif clients are paying it forward, providing food to frontline healthcare workers, offering free financial services, and deploying personal protective equipment (PPE) in underserved communities.

Systemic change requires partnership, and our team is thankful to the many public and private sector partners who share and support Wacif's commitment to equity and opportunity. Your partnership animates Wacif's impact. Thank you for your continued support and investment in local businesses and communities.

**BETWEEN
JANUARY-JUNE**

\$5M +

Deployed to 1,000+ entrepreneurs.

1,068

Entrepreneurs received financial aid.

790

Entrepreneurs received technical assistance.

100%

Borrowers were extended debt payment coverage.



2019 HIG

Wacif continued to deepen its impact in 2019, while making investments of community need. This growth allowed Wacif to deploy \$1.5M, Wacif has also grown the advisory services it provides to underserved technical assistance sessions, workshops and trainings, and consultant

140%

increase in loan volume between 2017 and 2019

50%

advisory services to entrepreneurs in D.C. Wards 7 & 8

80%

advisory services to entrepreneurs of color

2019

D.C. Nonprofit of the Year

HIGHLIGHTS

that positioned the organization to scale in response to the depth establishing a 140% increase in loan volume between 2017 and 2019. entrepreneurs, more than doubling the volume of workshops, one-one services, during that same time period.

55%

capital deployed to
D.C. Wards 5, 7 & 8

408%

increase in net asset growth from 2018

96%

lending to entrepreneurs of color

59%

advisory services
to women
entrepreneurs

MISSION, VISION, VALUES

Mission

To increase equity and economic opportunity in underserved communities in the Washington, D.C. area by investing knowledge, social, and financial capital in low- and moderate-income entrepreneurs.

Vision

An equitable and just society where communities can prosper and people can thrive through entrepreneurship.

Values

Equity and Inclusion: Every facet of our work should be directed toward and reflect an unwavering commitment to fair and equal access to the opportunities afforded by entrepreneurship. Equity is a guiding principle of our work and is reflected in our commitment to break down barriers and build an inclusive and just society.

Stewardship and Accountability: It is our duty as stewards to be accountable for the resources with which we are entrusted. Wacif's stakeholders have a right to expect excellence in our stewardship. Our accountability is a statement of respect for our staff, Board, investors, funders, partners, and, most importantly, the clients and communities we serve.

Strategic Pillars

Wacif's mission is driven by three strategic pillars: inclusive entrepreneurship, community wealth building, and equitable economic development, and is fulfilled by providing access to capital products and services, and capacity-building technical assistance to low- and moderate-income entrepreneurs.



INCLUSIVE
ENTREPRENEURSHIP



COMMUNITY
WEALTH BUILDING



EQUITABLE
ECONOMIC
DEVELOPMENT



" We experience very unique challenges east of the river that Minnesota Avenue Main Street and Wacif understands. Their support is vital and helps the small independent people such as myself remain in the communities that we love and are a part of. "

*- David Alvaranga
Owner, Liberty Tax*

David Alvaranga, owner of Liberty Tax located along the Minnesota Avenue corridor, was the recipient of a grant through the Minnesota Avenue Small Business Resilience Fund.





INVESTING IN SYSTEMIC CHANGE: R3 SCORE

In 2017, mother-daughter team Teresa Hodge and Laurin Leonard launched R3 Score, a Baltimore-based startup that creates an alternative credit score assessing the potential risk of formerly incarcerated applicants. Rooted in the principle that your worst day should not define the trajectory of your life, the score uses a sophisticated algorithm to create a holistic, real-time assessment of formerly incarcerated job applicants, allowing hiring managers to make truly informed personnel decisions, and connect returning residents to economic opportunity. Co-founder Teresa Hodge uses her own experiences as an African American woman over the age of 50 with a criminal record to address the inequalities rooted in America's criminal justice system. One in three citizens—70

million Americans—have an arrest and/or criminal conviction record,¹ and this record affects people's ability to seek employment, banking services, education, and housing for the rest of their lives.

In 2019, Wacif invested \$25,000 in R3 Score as part of a pre-seed investment round of \$500,000. The collective investments enabled Teresa and Laurin to attend and graduate from a Techstars accelerator in October 2019. Prior to financially investing in R3 Score, Wacif worked with Teresa and Laurin for about a year and a half to help the founders develop a strategy culminating in the successful launch of their mission-driven startup.

“We are really focused on system change. We've normalized that a third of our country has an arrest or conviction record. We have to normalize and come up with solutions and systems to help those individuals and family members get back on their feet.”

- Teresa Hodge, CEO, R3 Score



INVESTING IN INCLUSION: **GREATER WASHINGTON,**

In February 2019, Wacif joined JPMorgan Chase, Capital Impact Partners, the A. James and Alice B. Clark Foundation, Latino Economic Development Center (LEDC), and Harbor Bank to launch the Greater Washington, D.C. Entrepreneurs of Color Fund. Launched with an initial investment of \$6.65 million, the Fund is dedicated to creating new pathways to entrepreneurship and wealth building in the region's underserved communities. JPMorgan Chase seeded the Fund with a commitment of \$3.65 million, alongside a \$2 million commitment from Capital Impact Partners and a \$1 million investment from the A. James & Alice B. Clark Foundation.

The Fund is based on a model successfully launched by JPMorgan Chase in Detroit, Chicago, San Francisco, and the South Bronx, and provides resources to the region's minority entrepreneurs, from Virginia to Baltimore. The Fund pairs affordable capital with targeted business advisory services to preserve and grow minority-owned businesses, cultivate a new generation of minority housing developers, and drive procurement opportunities with Washington-region anchor institutions.



In February 2019, CEO Harold Pettigrew, Jr. joined financial government and philanthropic partners at Anacostia's RISE Center to launch the Greater Washington, D.C. Entrepreneurs of Color Fund.

D.C. ENTREPRENEURS OF COLOR FUND



GENELL ANDERSON | AMAR GROUP LLC
ASCEND CAPITAL ACCELERATOR ENTREPRENEUR

Genell Anderson is the managing member of AMAR Group LLC, an architectural, construction, and design service in Washington, D.C. metropolitan area. AMAR Group received the Mayor's Award for Excellence in Historic Preservation and was featured on the television show This Old House for the renovation of a 130-year-old classic row house in D.C.'s Shaw neighborhood. Genell's loan from Wacif through the Entrepreneurs of Color Fund is allowing her to staff up and make purchases in order to execute new contracts.



YASHIEKA ANGLIN | ANGLIN CONSULTING GROUP
ASCEND CAPITAL ACCELERATOR ENTREPRENEUR

Yashieka Anglin, MBA, is the CEO of Anglin Consulting Group, an 8(a), SDVOSB, WOSB, and HUBZone certified strategic business consulting firm. She brings more than a decade of experience in business expansion, financial management, sales, marketing, and IT systems planning and implementation. Yashieka, a US Air Force veteran, resides in D.C. with her two daughters. Yashieka's loan is funding costs associated with hiring new staff.

\$1M+

PROVIDED TO
ENTREPRENEURS
OF COLOR

56%

BORROWERS
WERE WOMEN
ENTREPRENEURS
OF COLOR

148

JOBS CREATED
& RETAINED

INVESTING IN INNOVATION: MADE IN D.C. KIOSK

In 2019, Wacif extended a \$50,000 line of credit to support local entrepreneurs operating the Made in D.C. Pop-up Collaborative, a strategic initiative launched by the DC Department of Small and Local Businesses Development (DSLBD), Metropolitan Washington Airport Authority (MWA), and airport concessionaire MarketPlace Development.

“We’ve curated an amazing local space for travelers to explore brands made in D.C. Wacif’s line of credit is helping these local entrepreneurs grow their businesses.”

- **Rahama Wright**
Shea Yeleen Owner &
Made in D.C. Kiosk Organizer



From left, Topaz Terry (Owner, Bicycle Trash), Brendon Miller (Wacif), Rahama Wright (Owner, Shea Yeleen), Leigha Hollis (Owner, Culture Socks).

The flexible line of credit has supported four kiosk businesses at the Made in D.C. Kiosk, which operates in Reagan Washington National Airport Terminal B—Shea Yeleen, Bailiwick Clothing, Bicycle Trash, and Culture Socks. Rahama Wright, founder and owner of Shea Yeleen, and graduate of the first cohort of Wacif’s Ascend Capital Accelerator, leads the kiosk. The Made in D.C. Kiosk has expanded since its launch in May 2019 to include products from 20 entrepreneurs based in D.C. and certified through DSLBD’s Made in D.C. program. It is one of the airport’s highest-selling kiosks, generating \$20,000 in sales in its first five weeks alone.

25

JOBS CREATED
& RETAINED

20K

REVENUE IN THE
FIRST FIVE WEEKS

\$50K

PROVIDED TO
ENTREPRENEURS
OF COLOR



Ngina Thomas used a loan from Wacif to refinance out of a predatory loan product, freeing up more than \$3,000 in monthly cashflow, thereby increasing inventory and introducing services for clients.

INVESTING IN OPPORTUNITY: STUDIO CHIQUE

Ngina Thomas is a Master Stylist and Certified Hair Loss Practitioner with over 25 years of experience. In 2012, Ms. Thomas founded Studio Chique, a full-service hair salon and specialty spa located on Georgia Avenue.

To help finance renovations and purchase essential inventory products, Ms. Thomas turned to a predatory online lender for a loan of \$40,500, which left her with a blended interest rate of 58.2%, and monthly payments of \$4,400. In 2019, Ngina consulted Wacif for help.

Wacif provided Ngina a \$35,000 term loan to pay off her company's outstanding balance with the predatory lender. Since 2019, Ngina's monthly payments have drastically reduced to just

over \$1,000, with an interest rate of 7.75%. Ngina's loan with Wacif also gave her the flexibility to increase inventory and introduce new lines of service, both major sources of revenue for Studio Chique.

"Wacif came in and paid that debt off and drastically reduced my monthly payments. Now it's easy to make that repayment."

**- Ngina Thomas
Owner, Studio Chique**

7.5x

Lower than the previous interest rate.

\$3,000

Added back to Studio Chique's monthly cash flow.

\$7,000

Used to increase inventory and introduce new lines of services.

38%

Black entrepreneurs are more likely to be approved by online creditors, compared to large banks.²



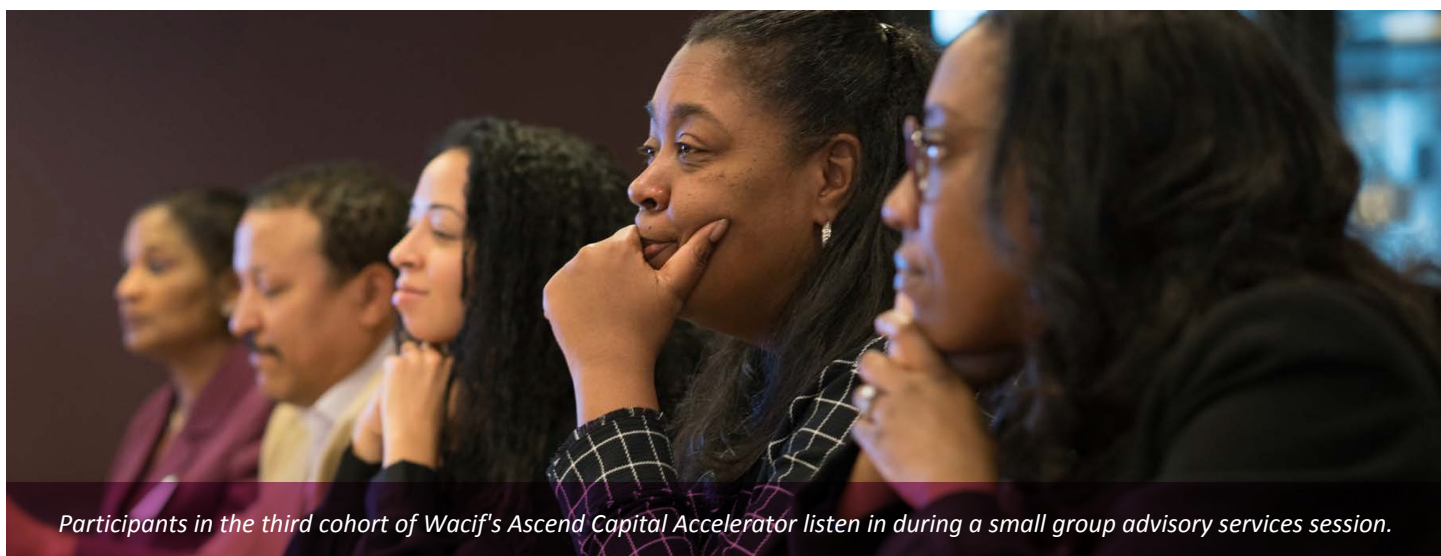
INVESTING IN GROWTH: ASCEND CAPITAL ACCELERATOR

In 2019, Wacif celebrated the graduation of the third and fourth cohorts of its award-winning Ascend Capital Accelerator program. Both cohorts focused on entrepreneurs of color, and the entrepreneurs collectively represented 18 companies across the Washington, D.C. region. Among the 21 Ascend graduates, 100% identified as people of color and 57% identified as women.



Graduates of the fourth Ascend Capital Accelerator cohort join local private and public sector leaders at the RISE Center in Anacostia to share growth plans and celebrate graduation from the program.

The Ascend Capital Accelerator program is an 8 to 12-week cohort-based curriculum with the goal of building human and financial assets with local, underserved small businesses. This hands-on asset-based development program consists of an interactive workshop series combined with small group matching



Participants in the third cohort of Wacif's Ascend Capital Accelerator listen in during a small group advisory services session.

and wraparound individualized support. The technical assistance and networking opportunities provided through Ascend produce benefits for the participants extending beyond the finite time-frame of the program.

The Ascend Capital Accelerator expands the definition of “capital” from a framework focused solely on funding to one that includes business and industry knowledge, and social connections needed to sustain and grow. Moving beyond generic ‘Business 101’ offerings, Ascend participants graduate with comprehensive understanding of financial and operational management, marketing strategy and research, and support navigating local certification programs, thereby positioning themselves for specific opportunities moving forward, and becoming transaction ready. Ascend provides these offerings alongside sustained, individualized support to ensure that emerging entrepreneurs internalize and implement the technical assistance delivered throughout the program.

SUNTRUST LIGHTING THE WAY AWARD



In recognition of the success of its Ascend Capital Accelerator program, Wacif was one of 36 nonprofits awarded the SunTrust Foundation's 2019 Lighting the Way Award. The Award recognizes organizations that work to build self-sufficient families and more financially confident communities through education, counseling, career readiness/workforce development, and small business/entrepreneurship. Recipients received a \$75,000 grant and professional development training through SunTrust Foundation's full-day Masters Series Conference.

2019 COHORT STATS

29%

Veteran graduates.

43%

Graduates have
businesses in D.C.
Wards 7 & 8.

57%

Female graduates.

100%

Entrepreneurs of
color.

INVESTING IN COMMUNITY: MINNESOTA AVENUE MAIN STREET

Minnesota Avenue Main Street (MAMS), a Wacif program supported by the DC Department of Small and Local Business Development (DSLBD), is an initiative to promote, revitalize, and develop Minnesota Avenue corridor. As the District's second largest commercial corridor east of the Anacostia River, Minnesota Avenue is slated for more than \$100 million in investment in the years ahead.



70

BUSINESSES
SUPPORTED
ALONG THE
CORRIDOR

2,500+

VISITORS
ATTENDED
ART ALL NIGHT

\$67,500

IN SUB-GRANTS
AWARDED TO SIX
BUSINESSES

100%

CAPITAL
DEPLOYED TO
ENTREPRENEURS
OF COLOR



Minnesota Avenue Revitalization Project

MAMS continued to serve businesses affected by Phase II of the multi-million dollar District-financed Minnesota Avenue Revitalization Project, led by the District Department of Transportation. The streetscape project seeks to transform the Minnesota Avenue corridor into a thriving and inviting neighborhood center by improving the retail environment, residential quality of life, and open spaces. New landscape/streetscape designs will provide upgrades to the local landscaping, intersections, street lighting, and sidewalks between Dix Street NE and Sheriff Road NE. While the capital infrastructure project will ultimately benefit the small businesses and broader community, the ongoing construction disrupted traffic to small businesses. MAMS partnered with DSLBD to fund \$67,500 in sub-grants to six existing businesses - operated by entrepreneurs of color - that have anchored the community for years. The grants will help ensure that the businesses will benefit from, and help accelerate, the corridor's long-term growth.

ROBUST RETAIL GRANT



Minnesota Avenue's Jamaican-American restaurant Eclectic Café received \$20,000 in working capital and financial assistance through the Robust Retail grant, awarded by DSLBD. The grant supports existing D.C.-based retail businesses in adapting their business models to meet changing customer demand. Café owner Caple Greene used the grant to help offset the negative effects of District-financed infrastructure projects.



"The 2019 grant supported me in so many ways. The working capital helped to cover the revenue I lost due to the ongoing streetscape construction, purchase new hair equipment, and repair the basement of my salon."

- Justina Wilkins-Jordan

MINNESOTA AVENUE SMALL BUSINESS RESILIENCE FUND

With support from DSLBD, MAMS launched the Minnesota Avenue Small Business Resilience Fund, a new grant initiative to help small businesses along the Minnesota Avenue commercial corridor prosper in place throughout the streetscape construction period. In the Fund's inaugural year, MAMS disbursed five grants totaling \$47,500 to Justina's Hair Gallery, Capital Real Estate Developers, All N'1 Medical Supplies & Treasures LLC, American Tax LLC, and Therapeutic Sessions.



The historic Senator Theatre received a makeover through a light and sound installation activated by the exterior sound environment. A mural dedicated to novelist Toni Morrison was painted on the side wall of the theatre with the quote "The Function of Freedom is to Free Someone Else."

ART ALL NIGHT

For the second year, MAMS led the Minnesota Avenue community's participation in Art All Night, a citywide art festival taking place in the District's eight Main Street neighborhoods. MAMS partnered with entrepreneurs and community members to celebrate Ward 7's rich history in the arts with interactive activities ranging from art demonstrations and instruction, musical and poetry performances, photography, and dancing. Over 50 artists and performers presented their talent and artistry to more than 2,500 visitors.



The Gateway Arts & Entertainment District is an active business development corridor located in Prince George's County. Spanning two miles along Route 1 Baltimore/Rhode Island Avenue, the District is home to a variety of restaurants, coffee houses, local and regional theatres, galleries, and Gateway businesses supporting the economic vitality of the local art community.



Hyattsville, located in Prince George's County directly adjacent to the District of Columbia, is home to a thriving arts district, supporting a number of small businesses and local creative jobs.

INVESTING IN COMMUNITY: PRINCE GEORGE'S COUNTY

Prince George's County enjoys a positive overall economic trajectory, with a median household income approximately \$20,000 higher than the rest of the U.S., a AAA Bond rating, and momentum from projects in the National Harbor area.^{3,4}

Against this generally positive trajectory, County residents face major challenges including economic disparities, unemployment and underemployment, and a lack of small business capital and development services to start and maintain their businesses.

Wacif's commitment to Prince George's spans two decades, and more than \$1.7 million in lending to county entrepreneurs. Through the Community Partnership Grant, Wacif partnered with Prince George's County Office of the County Executive to expand advisory services and capital deployment to Prince Georgian entrepreneurs. Wacif ultimately deployed almost \$400,000 to Prince Georgian entrepreneurs, nearly doubling its target of \$200,000.

\$385K

DEPLOYED TO
PRINCE GEORGIAN
ENTREPRENEURS

100%

OF LENDING TO
ENTREPRENEURS
OF COLOR

\$1.7M

DEPLOYED
HISTORICALLY

INVESTING IN COMMUNITY WEALTH BUILDING: D.C. EMPLOYEE OWNERSHIP INITIATIVE

12

Monthly cooperative stakeholder meetings.

75

Attendees at the 2019 D.C. Co-op Day.

83%

Business owners nationally do not have written succession plans.⁵

2,666

Estimated business owners of color near retirement in Washington, D.C.⁵

Launched in 2018 in partnership with Citi Community Development, the D.C. Employee Ownership Initiative helps preserve community assets, bridges the racial wealth gap, and decreases the asset ownership gap. Employee ownership refers to an umbrella of structures and practices, including strategies for business owners nearing retirement through the creation of a viable exit strategy, thereby ensuring businesses continue to serve the community and support the local economy. Employees also gain opportunities to build wealth in high-quality jobs while participating in workplace governance.

In May 2019, Michael Smith, the owner of Smith & Sons, sat in the front row during Wacif's workshop "Exit Planning and Employee Ownership" at THEARC – the first in a series designed to introduce retiring business owners to the exit planning process. After more than 35 years, Mr. Smith decided he was ready to retire and wanted to ensure his legacy was preserved. Wacif's D.C. Employee Ownership Initiative provided Mr. Smith with the technical assistance and capital required to take the next step to convert his business into a worker-

“ We want to maintain the legacy of the company and the spirit with which it was built. Our employees have been a very valuable asset, and employee ownership will allow us to reward them for their work and ensure that they're directly invested in the company's future. ”

- Michael Smith,
CEO of Smith & Sons



Benjamin Wells (left, COO) and Michael Smith (right, Owner) are working with Wacif to explore transitioning to an employee-ownership model for Smith & Sons.



The Shared Equity in Economic Development Fellowship (SEED) is a program that convenes and equips city leaders with tools, resources, and expertise to build equitable economies through democratic business ownership. Wacif was selected as the official community partner organization in D.C., and Jennifer Bryant, Wacif Program Manager for Community Wealth Building Initiatives, served as D.C.'s community fellow. SEED is a partnership program between the National League of Cities and the Democracy at Work Institute (DAWI).

Wacif's employee ownership sessions have been presented locally in partnership with DSLBD and DAWI. On a national level, the D.C. Employee Ownership Initiative was invited to present at two major convenings in 2019: the NCBA-CLUSA Co-op Impact Conference, and the Opportunity Finance Network Conference in coordination with Cooperative Fund of New England and DAWI. Wacif serves as the convener for the D.C. Cooperative Stakeholders Group and was invited to join the Workers to Owners Collaborative, a national community comprised of 30+ organizations supporting legacy businesses.



Wacif works alongside stakeholders as part of the D.C. Cooperative Stakeholders Group to develop policies and signature events. In October, D.C. Co-op Day brought the District co-op ecosystem together for a day of learning, connecting, and organizing at THEARC in Ward 8. The event featured panel discussions, interactive workshops, 1-on-1 pro-bono cooperative development and legal technical assistance. More than 75 people attended this free event.

INVESTING IN ECOSYSTEMS

Wacif not only supports individual entrepreneurs, but strengthens the equity and opportunity ecosystem through thought leadership, convening with partners to collaborate and learn, and creating safe spaces to address the pressing issues and concerns facing the communities we serve.



TESTIFYING BEFORE THE D.C. COUNCIL

On November 6th, Jennifer Bryant testified before the D.C. Council Committee on Business & Economic Development regarding the Protecting Local and Area Commercial Enterprises Amendment Act Of 2019. The proposed legislation would preserve legacy businesses that have been open for 10 or more consecutive years. Jennifer's experience leading the D.C. Employee Ownership Initiative presented her the opportunity to advocate for the inclusion of financial assistance for legacy business owners to their employees.

"That's what we are in the business of: asset building for the purpose of wealth creation so that our communities can thrive."

- Jennifer Bryant, Wacif



BUILDING A DEMOCRATIC ECONOMY: HOW DO WE CREATE PROSPERITY FOR ALL?

In November, the Aspen Institute hosted a panel to discuss what a Democratic Economy means and the journey towards creating it. Wacif CEO Harold Pettigrew, Jr. joined Karla Bruce (Chief Equity Officer, Fairfax County) and Marjorie Kelly (Executive Vice President, Aspen Institute) on the panel, reflecting on best practices to create an economic system that builds prosperity for all. Harold spoke to the different strategies deployed at Wacif to help build community wealth and an equitable democratic economy.

"A democratic economy is simply creating pathways for people to fully participate, to be full citizens."

- Harold Pettigrew, Jr., Wacif



Wacif CEO Harold Pettigrew, Jr. introduces OFN President Lisa Mensah (left) and R3 Score Founder Teresa Hodge during opening plenary at the OFN Small Business Finance Forum.

OPPORTUNITY FINANCE NETWORK: SMALL BUSINESS FINANCE FORUM

In June 2019, 400 representatives of community development financial institutions (CDFIs) and other mission-driven small business lenders and partners convened in Chicago for the eighth annual Small Business Finance Forum hosted by Opportunity Finance Network (OFN). The 2019 Forum placed a special focus on innovative approaches to supporting entrepreneurs facing the greatest barriers to (re) entry for starting and growing their businesses.

In that spirit, Wacif CEO Harold Pettigrew, Jr. introduced renowned criminal justice thought leader and social entrepreneur Teresa Hodge and OFN President and CEO Lisa Mensah during the opening plenary. Harold reflected on the impact the criminal justice system has had on his family and shared his experiences working with Teresa. After the introduction, Teresa and Lisa engaged in a lively discussion about the intersection between formerly incarcerated people and CDFIs capacity to create economic stability and opportunity for underserved populations. Harold and Teresa continued the conversation and discussion during a break-out session, alongside Laurin Leonard, Teresa's business partner and daughter.

“One-third of our population will deal with directly, or be impacted by, those who are involved with the criminal justice system. As CDFIs, we have to begin thinking more intentionally about what steps we will take, and what we will do, to begin having a deeper impact on the topic.

- Harold Pettigrew, Jr., Wacif



PRESS HIGHLIGHTS

Wacif's commitment to invest in underserved communities through sustainable entrepreneurship is echoed across newsrooms and beyond. In 2019, Wacif appeared in 229 media publications across the United States. Media highlighted Wacif's work within the context of the top 15 cities with the most minority-owned startups- the Washington metropolitan area coming in at number 7- reached audiences as far as Puerto Rico and the Caribbean through *The Weekly Journal*. Other publications include: *Tulsa World*, *Wapeton Daily News*, *The Marietta Daily Journal*, *Resilience*, *Technical.ly*, and *Ozy* among others.

BROOKINGS

How a Washington, DC park can serve as a model for bridging social and economic divides

Through the collaboration with City First Homes, Wacif, and Skyland Workforce Center, the developers of the forthcoming 11th Street Bridge Park discuss how they are centering the financial and residential wellbeing of Ward 7 and 8 communities in the development and execution of the bridge project.

NEXT CITY

Why History Matters in Equitable Development Planning

D.C.'s history is used to connect the past to the present in this analysis of the economic opportunities planned for communities surrounding the planned 11th Street Bridge Park. Wacif's delivery of technical assistance and \$525,000 in business loans in Ward 7 and 8 is highlighted as an element of the park's economic development plan.

THE NONPROFIT TIMES

The Leading Business Publication For Nonprofit Management

Commentary: Closing the Gap In America's Cities

Harold Pettigrew Jr., [CEO] of the Washington Area Community Investment Fund in Washington, D.C., observes: "When you think about what it takes to stabilize a community, you realize how important it is to take a multisector approach. You can't offer someone a path to entrepreneurship if they don't have housing, can't build savings and can't pay their bills."

THE WASHINGTON Informer

Wacif Wins National Award

The Washington Area Community Investment Fund, Inc. (Wacif) has received the 2019 Lighting the Way award from the SunTrust Foundation in recognition of its efforts to strengthen local communities.



Wacif joins Made in D.C. Entrepreneurs to celebrate their kiosk featuring local brands. From left: Rahama Wright (Owner, Shea Yeleen), Topaz Terry (Owner, Bicycle Trash), Brendon Miller (Wacif), Leigha Hollis (Owner, Culture Socks).

INVESTING IN WACIF

Over the past 32 years, Wacif has partnered with socially responsible organizations, families, and individuals to invest in the development of our shared community.

Why Invest in Wacif?

These investments help launch and grow locally-owned small businesses, create jobs, and build community wealth. As of 12/31/2019, Wacif's Assets Under Management (AUM) amounted to \$6.2 million, furthering our support in community development efforts throughout the Greater Washington region. Beginning at \$1,000 to upwards of \$2 million, investments in Wacif's mission bring a social as well as a financial return. Wacif has fully repaid 100% of its investors, helping individuals and institutions support local inclusion, equity, and opportunity.

2.52%

AVERAGE
INTEREST
RATE

50

DEDICATED
INVESTORS

\$50K

AVERAGE SIZE
INVESTMENT

100%

INVESTOR
REPAYMENT
RATE

Our borrowers undergo rigorous underwriting to ensure their long-term viability. Wacif has proactively put in place credit guarantees and other balance sheet safeguards to ensure investor repayment during challenging economic downturns.

Being responsible to our investors and responsive to the community is our top priority. We have proven our ability to deliver social impact and financial return for 32 years. When you invest in Wacif, you know we're putting your money to good use for you and your community.



FINANCIAL PERFORMANCE

At Year End December 31	2017	2018	2019
Cash and cash equivalents	563,918	1,311,277	1,784,645
Loans receivable, net	1,698,396	1,491,531	1,520,342
Other assets	1,943,528	1,991,625	3,252,556
Total assets	4,205,842	4,794,433	6,557,543
Notes payable	4,254,798	4,208,396	4,101,241
Other liabilities	272,123	131,862	147,809
Unrestricted net assets	(688,657)	(316,016)	710,704
Restricted net assets	367,578	770,191	1,597,789
Total net assets	(321,079.00)	454,175.00	2,308,493.00
At Year End December 31	2017	2018	2019
Government grants and contracts	651,964	1,407,579	1,060,671
Nongovernment contracts	100,000	569,000	1,184,428
Grants and contributions	390,675	993,405	1,462,160
Interests and other income	243,095	250,336	264,159
Change in net assets	84,996	775,254	1,854,318
Key Financial Ratios for the Year Ended December 31	2017	2018	2019
Unrestricted net assets	-16.4%	-6.6%	10.8%
Restricted net assets	8.7%	16.1%	24.4%
Total net assets	-7.6%	9.5%	35.2%
Portfolio at risk (PAR) at 90 days	9.8%	0.0%	0.0%
Net charge-offs as a percentage of average loans outstanding	24.7%	9.7%	2.7%
Allowance for loan losses as a percentage of loans receivable	10.4%	18.5%	26.1%
Current ratio	3.7	5.4	8.6
Other Data at December 31	2017	2018	2019
Number of borrowers	15	16	21
Number of investors	52	52	50
Average size of investment	81,832	51,445	50,016
Amount of credit guarantees	-	-	450,000
Amount of off-balance-sheet loan portfolios	74,561	358,684	430,872
Full time equivalent employees	12	13	16

BOARD OF DIRECTORS



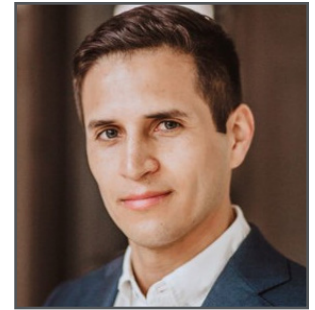
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Wacif's Board of Directors helps to ensure that we achieve our mission to bring economic opportunity to low- and moderate-income communities. Members of the Board of Directors are small business owners, local bankers, community development leaders, real estate professionals, and lawyers. Their expertise and commitment to equity and opportunity inform the strategic vision and long-term planning they bring to Wacif's mission.

CELEBRATING THE LIFE OF **LASHAUNE BLACKMON**

" LaShaune was a cherished member of our team. Her love for her family shone through and it is our honor to help them.

- Harold Pettigrew, Jr., CEO

On July 23, 2019, we received the tragic news of the passing of LaShaune Blackmon, one of our cherished team members. Our entire organization deeply felt her loss. LaShaune's example – her energy, passion, and dedication – will be something we strive towards and remember forever. Her commitment to our mission of equity and opportunity was inspiring. Her comradery and sense of humor were infectious, and her work ethic unmatched.

BLACKMON EDUCATION FUND

LaShaune had a passion for, and constantly pursued, education and learning. In her honor, Wacif created the Blackmon Education Fund, through which we are continuing LaShaune's legacy by supporting her 15-year old son, Destyn Forsythe, and his post-secondary educational pursuits. Your support is greatly appreciated and will assist Destyn in making his dreams for a bright future a reality.

Please consider donating online at:

<https://www.gofundme.com/f/blackmon-education-fund>



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LaShaune Blackmon

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¹ Bureau of Justice Statistics, Key Statistics, “Total adult correctional population, 1980-2016.” Retrieved at www.bjs.gov.

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SUPPORTING OUR MISSION

Join Wacif in advancing equity and opportunity by financially supporting the organization's mission. Charitable contributions make Wacif's impact possible, increasing the resources the organization can make available to entrepreneurs in underserved communities across the Washington, D.C. region. Wacif is a 501(c)(3) not-for-profit corporation and contributions are tax-deductible to the fullest extent allowed by law.

To learn more, connect with Wacif's team at info@wacif.org. To support Wacif's mission, please visit www.wacif.org/get-involved/donate.



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