

Increasing Capital and Capacity in America's Communities

An impact report for the Grow with Google Small Business Fund and OFN Grant Program funded by Google.org

In 2020, Opportunity Finance Network (OFN) received funding from Google's newly created Grow with Google Small Business Fund and Google.org to provide loans and grants, respectively, to CDFIs supporting businesses and nonprofits in communities across the United States that lack access to traditional financing tools. This report is a snapshot of the significant impact this funding has had on CDFIs and the small and medium-sized businesses they've supported during the Covid-19 pandemic.

- **As of December 2021, OFN had fully distributed \$180 million in loans and grants from Google and Google.org** to a total of 62 CDFIs across all 50 states that serve minority- and women-owned small businesses and other financially underserved local businesses, especially those in distressed communities. Among these, 59 CDFIs received loans from the Grow with Google Small Business Fund and 51 received grants from the OFN Grant Program funded by Google.org.
- **In 2021, the CDFIs supported by this funding provided loans to 131,652 small and medium-sized businesses** operating in communities underserved by traditional finance and primarily owned or led by minorities and/or women. CDFIs paired Google's loans and grants with other funding opportunities, resulting in a total of \$1.6 billion for businesses.
- **Because Google provided funding to OFN through flexible, long-term, low-cost loans or grants, CDFIs are able to:**
 - **Scale their impact** by using low-cost loans as a stable base for these businesses for up to 10 years.
 - **Expand their balance sheets** by using the grants to multiply their lending capacity and, in many cases, attract additional philanthropy to support more businesses in their communities in a more impactful way.
 - **Obtain a new source of funding from the corporate sector, beyond the traditional forms** of capital provided by financial institutions seeking to meet specific regulatory mandates.
- **The unique funding model Google deployed – coupling loans and grants – demonstrates the critical role the corporate sector can play** to help scale small business lending in communities underserved by mainstream finance. Google.org has also donated \$1M in free Search advertising to increase community awareness about CDFIs and help CDFIs reach and connect with small businesses that still lack access to funding. In addition, CDFIs can provide access to no cost trainings provided by Grow with Google to the small businesses they work with to help develop skills and better use technology to run their businesses.

In just two years, we've seen how these loans and grants have helped CDFIs multiply their lending capacity significantly, reach deeper into their communities, and achieve operational stability. These programs should have a greater impact in the decade ahead as the funding provided continues to be put to work. More technology assistance is needed to help CDFIs scale their ability to assist small businesses, particularly in rural communities that could benefit from additional coverage of CDFI products and services. We look forward to the continued successes and achievements of the thousands of entrepreneurs, employees, businesses, and communities supported by these programs in the years ahead.

“Working with a mission-driven lender like Finance Fund was critical to our ability to meet startup costs at Gem City Market. Traditional lenders struggle to understand and meet the capital needs of neighborhoods like ours that are building back from systemic divestment, but Finance Fund's impact-oriented team and flexible financing was the perfect fit for our community-driven, employee-owned market.”

Lela May Klein, Executive Director and Co-Founder,
Co-op Dayton, developer of Gem City Market

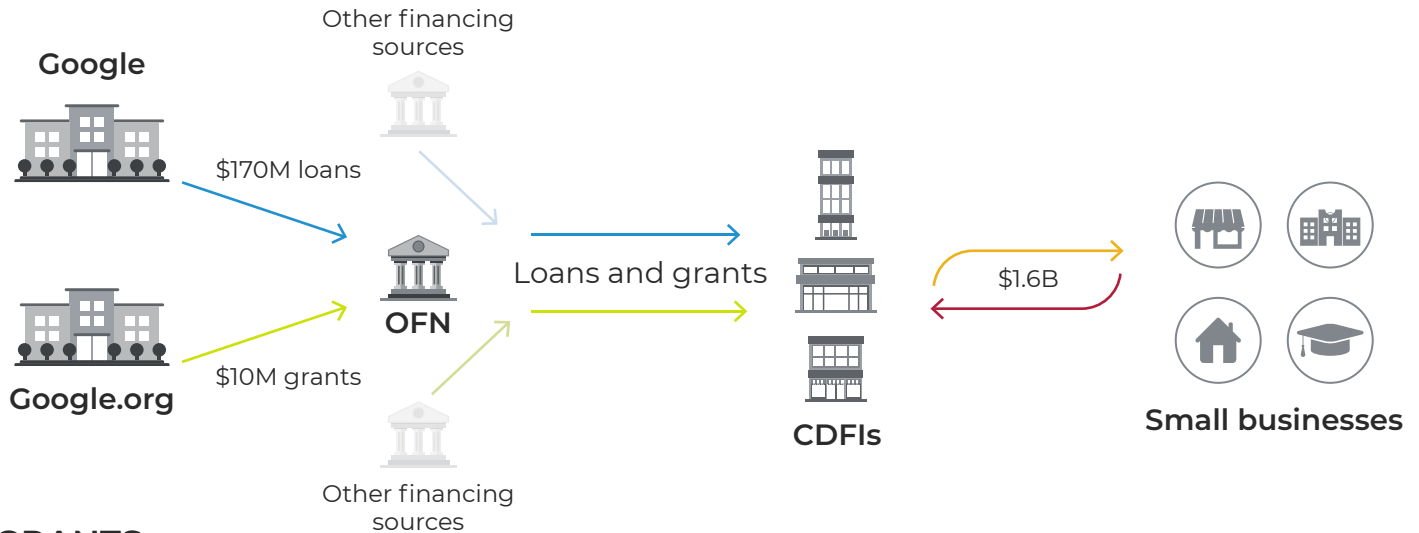


LOANS

Loans provide CDFIs with a **stable base** of patient, low-cost capital for up to 10 years.

Loans scale CDFI impact with **long-term, low-cost capital** vs. shorter-term, more restrictive loans, enabling CDFIs to help more borrowers and communities.

As loans are repaid, CDFIs **recirculate the dollars** by providing loans to even more borrowers in their communities.



GRANTS

Grants expand their **balance sheets** by relieving funding constraints and allow CDFIs to raise more debt capital, so they can multiply their lending capacity to serve more borrowers.

Grant support from visible and credible partners can attract additional philanthropic funding.

Grants can support an array of needs, including improvements in operations and technology, and increased capacity to reach and provide funding to local small businesses.

Loans to minority-owned

56% of funds

Loans to Black-owned

27% of funds

Loans to Latinx-owned

17% of funds

Loans to women-owned

37% of funds



\$1.6 billion

Total amount loaned to small businesses in 2021



131,652

Number of small business loans made in 2021



159,786

Jobs created or retained by the small businesses