A year and a half ago, we were brimming with pride about our history and hopeful about the future ahead. In the fall of 2019, we celebrated our 25th anniversary. We honored the thousands of entrepreneurs who have trusted us to connect them with affordable, responsible capital, plus the partners, funders, supporters, volunteers, and staff who make that lending possible.

In the spring of 2020, Opportunity Fund and Accion U.S. Network combined to form the first-of-its-kind financial support system offering loans, financial coaching, and networks to support thousands more entrepreneurs of color and women nationwide. We were on track to reach a major milestone: $1 billion invested in communities and small businesses by 2024.

Little did we know that 2020 would soon take a devastating toll. COVID-19 threatened the lives and livelihoods of the small business owners, their families, employees and communities we work alongside.

Small business owners were walloped with agonizing decisions: Should I make payroll, pay rent, or feed my family? Should I close up shop to protect the health of my employees and customers, or keep the doors open so any employees can support their families? Should I apply for federal relief? Here? And when?

Then, over the summer, the Movement for Black Lives demanded a reckoning with America’s racial injustice. Our mission—to create a more equitable financial system—took on an even stronger urgency.

Small business owners and communities rose to the challenges of 2020, and they inspired us to rise alongside them. Thanks to the incredible generosity of individual and institutional donors—whose donations ranged from $5 to $15,000,000—we pivoted to offer loan payment deferrals and forgiveness, new loans and grants, and business advising to small businesses that desperately needed our help.

As small business owners struggled, the neighborhood organizations we invested in through New Markets Tax Credit found themselves on the frontlines of the pandemic. Our partners—health care clinics and homeless shelters, Native American jobs projects, food banks and youth centers—served low-income communities disproportionately bearing the pain of COVID. These community facilities supported over 450,000 low-income individuals last year and will continue to grow for years to come.

As we look back on the difficult times and lessons learned over the past months, we are deeply grateful to our team members, donors, investors, partners, Board, Leadership Council, Southern California Regional Board, and the entrepreneurs who we are honored to serve. Thank you for inspiring us and joining us on our journey to build a more inclusive and just financial system.

With gratitude,
Luz Urrutia
CEO, Accion Opportunity Fund

Note: Opportunity Fund Community Development is the lending arm of Accion Opportunity Fund. While the majority of this annual report reflects our fiscal year—from July 1, 2019 through June 30, 2020—we included the latest COVID relief data from calendar year 2020.
We provide people of color, immigrants, women, and low-to-moderate income entrepreneurs with affordable capital, business advice, and support networks to drive economic mobility. These entrepreneurs face systemic barriers to accessing affordable, transparent financing; Accion Opportunity Fund's inclusive model serves those often excluded from the mainstream financial system.

WHERE WE LEND (in blue)

LENDING TO DETERMINED SMALL BUSINESS OWNERS

We provide loans to the smallest businesses...

...and invest their interest in other small businesses

The other day, I was cleaning out some old files and found a brainstorm of all the things I wanted to accomplish with Natural Do, from years before I started the salon. If you stick to it, research it, believe it—an opportunity will arise, and it did.

- Valonne, Founder and CEO, Natural Do. Valonne received a $5,000 working capital loan for her salon and a grant from Small Business Live, a COVID relief fundraiser benefiting Accion Opportunity Fund.

RACE/ETHNICITY

Hispanic/Latinx (43%)
White (26%)
Asian, Middle Eastern, or Pacific Islander (21%)
Black (8%)
Native American, Alaska Native, or Other (3%)

GENDER

Women (37%)
Men (63%)

In March 2020, Opportunity Fund combined with Accion U.S. Network, forming Accion Opportunity Fund. As the economic fallout caused by the COVID-19 pandemic deepened and modified throughout the country, our combined organization responded swiftly with resources to maintain small businesses in a time of crisis. Small business owners across our service footprint of 19 states, Puerto Rico, and the US Virgin Islands, as well as those affected by hurricanes, were able to access our resources during a time of need.

I wanted to make sure to let you know just how helpful, important, and emotional the webinar you presented this afternoon was. My husband and I are in the early stages of planning a brewery and have been tuning in for Accion webinars for about 18 months now. We sat on our couch and watched the webinar together this afternoon—I’m working from home and he was recently laid off from his brewery job. Neither of us expected this afternoon’s webinar to include so much advice and so many resources focused on household money matters as well as small business. Thank you and your organization for sharing this information and these resources. It created a little feeling of relief that there are people out there with knowledge and the willingness to help.

- Sarah, entrepreneur

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- Sarah, entrepreneur
Accion Opportunity Fund is proud to participate in the New Markets Tax Credit Program, investing in vital community hubs in the Western United States. New Markets Tax Credit projects are typically located in low-income neighborhoods where the poverty rate is 20% or higher, or the median family income is below 80% of Area Median Income.

We finance nonprofit-sponsored community facilities providing education, medical care, healthy food, and temporary shelter, as well as job creation projects in Native American communities. In FY20, we invested in projects located in Washington, Oregon, and California.

NEW MARKETS TAX CREDIT PROGRAM

Yakima Valley Farm Workers Clinic
Financing closed in FY20

The Union Gospel Mission of Salem, Oregon
Financing closed in FY20

Northwest Human Services
Financing closed in FY20

RYSE Youth Center
Groundbreaking in FY20

Rolland Curtis Gardens (St. John’s Well Child & Family Center)
Grand opening in FY20, with NMTC financing provided in FY17

Impact

In FY20, our New Markets Tax Credit projects and partners created or retained 982 jobs, including 697 living wage jobs for low-income individuals.

Opportunity Fund-backed New Markets Tax Credit projects served $40,555 clients in FY20, including:
- 451,962 low-income individuals
- 326,346 people of color
- 169,909 at-risk youth

I recently had the opportunity to speak to a single mother of three kids while promoting St. John’s Well Child and Family Center’s partnership with The Coalition for Human Immigrant Rights – Los Angeles (CHIRLA) and their Disaster Relief Assistance for Immigrants program.

Unfortunately, the patient did not qualify for the program. Throughout the brief fifteen minutes I had with her, I could hear her cries for help. She did not know she could apply for government aid, and I took the liberty of helping her out. Situations like these show why contact tracing is an important lifeline for struggling families and our communities.

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- Policy >>
In addition to lending and business advising, Accion Opportunity Fund conducts research and advances policy changes, amplifying the concerns of small business owners at a state and federal level. We advocate for transparent lending and increased financing for small businesses and the New Markets Tax Credit program.

Small business owners have long lacked the protections that consumers have under the Truth in Lending Act. Accion Opportunity Fund, a founder of the Responsible Business Lending Coalition, has consistently championed truth-in-lending legislation. Such laws require lenders to disclose critical commercial financing details, like APR and estimated monthly payments, to borrowers up front so they can comparison shop and find the best financing for their needs.

A new report on the trucking industry

With seismic shifts ahead in the trucking industry, in November 2019, Accion Opportunity Fund published a report on the loans we’ve made to truckers who support jobs, improve air quality through emissions reduction, and deliver critical goods to our communities.

State policy victories

Strengthening California lending to small businesses. California Capital Access Program (CalCAP) is a California state program that helps lenders like Accion Opportunity Fund approve loans to small business owners who otherwise might not qualify, including truck drivers buying lower-emissions vehicles. The state contributes a small amount to a loss reserve for each loan made by a participating lender, which helps offset costs incurred by lenders in the event of losses. Accion Opportunity Fund advocated to strengthen the CalCAP program, resulting in additional funding and greater flexibility to help small businesses through these challenging times.

The New York State Small Business Truth in Lending Act. Signed into law in 2020, the legislation is expected to save New York entrepreneurs between $369 million and $1.75 billion annually.

National policy victories

In the works: National truth in lending legislation. In FY20, Accion Opportunity Fund met with legislators on both sides of the aisle to advocate for a nationwide truth-in-lending bill for small business, working with Congressional staffers to draft bill language. In July 2020, Representative Nydia Velazquez introduced this legislation. In September 2020, our CEO Luz Urrutia testified in front of the House Small Business Committee on the need for transparency in small business lending.

Expanding opportunities for New Markets Tax Credit financing.

In FY20, Accion Opportunity Fund lobbied for the one-year extension of the New Markets Tax Credit (NMTC) allocation with $5 billion in allocation authority. Chris Huang, Director of the New Markets Tax Credit program, met with elected representatives to advocate for the importance of the NMTC program for investing in distressed, low-income communities.
COVID-19 severely affected small businesses. At first, many businesses turned to their banks, which provided some loans. As of December 2020, a quarter of federal PPP funds went to businesses with the cash flow to cover payroll. Yet the program’s benefits privileged a few.

In March 2020, the federal government began offering COVID relief in the form of Paycheck Protection Program (PPP) loans, providing $107,000 to 1 million small businesses. When the federal government eventually authorized Accion Opportunity Fund as a PPP lender, we worked with other lenders in the first weeks of PPP. When the federal government gave us the COVID-19 pandemic relief funds, we worked with our donors to provide our borrowers with the resources they needed. We lent and granted $2.9 million to 1,287 borrowers, 4,047 payments, totaling $120M, including $23 million in New Markets Tax Credits.

We immediately launched the California Relief Fund, distributing COVID relief grants to small businesses in underbanked regions. We helped establish the California Rebuilding Fund, joining 11 other Community Development Financial Institutions to lend to small businesses in underbanked regions. The California Rebuilding Fund led the way in providing PPP loans to small businesses in underbanked regions.

Between February and April of 2020, Black-owned businesses shuttered at double the rate of white-owned businesses and Latinx-owned businesses. Women entrepreneurs report that COVID-19 disproportionately affected them, with disruptions in childcare and in the workplace.

Unfortunately, COVID-19 reinforced racial and gender inequities: women business owners disproportionately reported worse impacts from COVID than their male counterparts.

Accion Opportunity Fund, have a mandate to work with small businesses, community development financial institutions, and community development block grant recipients. As of December 2020, we had lent and granted $2.9 million to 1,287 borrowers, 4,047 payments, totaling $120M, including $23 million in New Markets Tax Credits.

COVID-19 particularly affected Black and Hispanic small businesses, which are overrepresented as minority-owned, and Latinx-owned. As of December 2020, the PPP program’s benefits privileged a few.

**COVID Response**

COVID-19 reinforced racial and gender inequities: women business owners disproportionately reported worse impacts from COVID than their male counterparts.

**Equipped**

Community development financial institutions and community development block grant recipients.

Join us in our mission to help small businesses in underbanked regions.

**Co-founder and CEO Laura Quarme**

Join us in our mission to help small businesses in underbanked regions. We’re on a mission to provide the best possible service for people.

**COVID Relief**

COVID-19 particularly affected Black and Hispanic small businesses, which are overrepresented as minority-owned, and Latinx-owned. As of December 2020, the PPP program’s benefits privileged a few.

**Community development financial institutions and community development block grant recipients.**