



2020

**IMPACT  
REPORT**

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**THE STATE  
OF SMALL  
BUSINESS**

Cupcakin' Bake Shop  
Berkeley, CA

# BUILDING Forward Better



Something Better Foods  
Oakland, CA

**3/13** Breonna Taylor murdered in her apartment, Louisville, KY

**3/19** California issues state-wide stay-at-home order

Congress passes first COVID relief package

6.6 million Americans have filed for unemployment, U.S. unemployment rate reaches 14.7%

**May 25** George Floyd murdered in Minneapolis; protests break out across the country

SBA reopens loan program

NBER report shows that 45% of CA Black-owned and 32% of Latinx-owned small businesses had gone under - very much what we feared early on when we issued the open letter

Curfews in cities across the country put in place, affecting our small businesses and their workers' safety

Many states begin to reverse reopenings; PPP is extended



As Kneaded Bakery  
San Leandro, CA

## MARCH 2020

PCV publishes comprehensive list of state and national COVID resources for small businesses, begins assembling remote COVID-response advisor group; co-founds the CASE task force; and demand for our loans increases almost 10,000%

## APRIL

PCV issues an open letter on behalf of the CDFI industry with dozens of CDFI CEO signatories asking funders to activate and not wait for the government to step up, knowing our BIPOC and small business communities don't have long runways

## MAY

## JUNE

PCV's solidarity letter emphasizes our support of Black and Brown led businesses and communities

PCV partners with Kaiser Permanente to scale up our Business Advising program nationwide for BIPOC entrepreneurs nationwide

## JULY

PCV begins focusing on building forward, leading on CA state and federal policy to support small businesses and Black and Brown communities



# BUILDING Forward Better



Culinary Artistas  
San Francisco, CA



TeaLee's Tea House and  
Bookstore Denver, CO



Centermost Consulting  
Vacaville, CA

US Election

Cases of COVID-19 surge past 10 million; US passes 250,000 deaths.

FDA approves COVID vaccines, Congress approves 2nd COVID relief package.

The California Small Business Covid-19 Relief Grant program is officially launched with support from PCV and other CDFIs

## AUGUST 2020

PCV and CASE task force announce the California Rebuilding Fund, secure IBank as anchor

## SEPTEMBER

PCV launches the Small Business Support Circle at six-month mark of economic crisis, partnering with BIPOC-led CDFIs and accelerators around the country

## OCTOBER

PCV and other national small business leaders release Five-Point Plan to Save the Small Business Sector; PCV issues *Meeting The Moment: U.S. Impact Investing Policy, Inequality, and COVID-19 Recovery*

PCV announces new commitment to closing the racial business advice gap nationwide at Clinton Foundation

## NOVEMBER

Governor Newsom and the State of California officially launch The California Rebuilding Fund with PCV and our coalition of partners

## DECEMBER

PCV makes the first, and first \$1M, in loans under the California Rebuilding Fund

PCV announces The FOUND/LA Small Business Recovery Fund with Wurwand Foundation and TMC Community Capital



# Dear PCV COMMUNITY,



The Fortune Cookie Factory  
Oakland, CA

Times of crisis force us to dig deep in so many ways, and test us in new ways. The COVID-19 pandemic has been a magnifying glass over structural inequity that is generations' old, and the fallout threatens yet another generation of businesses owned by entrepreneurs of color. The same entrepreneurs that have always had the hardest time accessing capital and business advice are now jumping through multiple hurdles and relief program applications while keeping their businesses and workers afloat.

It also shows the devastation that can occur when government, philanthropic, and investor support is too paralyzed to show up and meet the needs of the small businesses and communities of color, where they are, and in time. In California alone, we saw **45% of Black-owned and 32% of Latinx-owned small businesses go under by June 2020** (NBER), and knew we had to get radically intentional to mitigate further crisis.

As a first-time and first-year CDFI CEO at Pacific Community Ventures, it has been important for me to re-center our work to honor the Civil Rights legacy our industry was born out of — to address systemic discrimination and redlining in the financial industry. In 2020, our team at PCV strove each day to center Black and Brown communities and that Civil Rights mission in our work, bringing impact-first approaches to our lending and underwriting, continuing our anti-racist journey with a year of monthly staff trainings and equity audits, taking a hard look at our own programs to root out systemic racial bias, and building capacity for fellow organizations through our BusinessAdvising.org platform, and impact measurement and management consulting.

**CDFIs have long been economic “first responders” to small businesses in historically under-invested communities.** At PCV we've been focused for decades on addressing racial and gender wealth gaps, and building community wealth in underinvested neighborhoods, by centering the smallest businesses (with 20 workers and less) and those owned by women and Black and Brown entrepreneurs. The COVID-19 pandemic has in stark terms revealed the degree to which those same communities are subject to the impacts of systemic racism and an economy built on poor-quality jobs. This moment in time requires each of us—impact investors, foundations, policymakers, and entrepreneurs—to respond to rapidly shifting circumstances. It's not enough to simply do more of what we've done before; rather, we must bring all of our assets to bear upon the challenges before us to build a better world with racial, economic, and climate justice at its heart.

**~10,000%**  
increase in demand for  
PCV's advising and capital  
after COVID-19 hit

For small businesses – the culture keepers of our communities – this year has been a true crisis of survival. In the United States, as of March 20, 2021, **the number of small businesses decreased by 33.6% compared to January 2020**. Despite the hardships of these times, many small business owners are continuing to put their employees first, looking for ways to keep staff safe, engaged, and supported as they continue to serve their communities. When COVID-19 hit, demand for our advising and capital grew almost 10,000%, and we were determined to not only keep our virtual doors open and our capital flowing, but to respond in a multitude of ways.

We led an Open Letter from dozens of CDFI CEOs in April, knowing our businesses, no matter where they were in America, didn't have much runway and our foundation, corporate, and government funders needed to step up immediately with free or affordable capital to help us keep our clients' doors open. We co-founded the **\$150M California Rebuilding Fund** - the largest, multi-stakeholder public-private partnership launched for small businesses anywhere in 2020. We used our platform to publish pieces with our advisory council members like Jed Emerson on how blended finance was critical for investors to advance racial justice and move toward Restorative, or Reparative, Capital. We launched our Small Business Support Circle in September, at the six-month mark of the pandemic, to bring together a coalition of like-minded companies and organizations to get millions of dollars of free business advice into the hands of Black and Brown entrepreneurs, partnering with other Black and BIPOC-led CDFIs, incubators, accelerators, and community organizations.

A summer of protests for racial justice also inspired us to take a hard look in the mirror. We began advancing a comprehensive DEI initiative within the entire organization, including months of anti-racism trainings, and internal work aimed to help our staff, board, and advisory council grow and meet our mission by centering the communities we serve in how we work, how we staff our team, and how we show up - in all our lines of work. I'm grateful to our staff, board, advisors, and core stakeholders for their unwavering support and determination through these challenging and uncertain times over the past year, and staying centered on the needs of the communities we serve.

In 2021 and beyond, myself and the PCV team are doubling down on our commitment to ensure that **Building Forward Better means that Black and Brown entrepreneurs can start and grow businesses**, create good jobs that address racial and gender wealth gaps, and grow the wealth of their families and communities, free of systemic barriers that have held back generations.

As a second-year CDFI CEO, I'm re-imagining what a better future can look like. Through our Good Jobs, Good Business model PCV has already helped small business owners across the country stay open safely, pivot, and create good jobs with living wages and benefits that actually help small businesses grow sustainably. We're doing this by keeping our capital fair and affordable and combining it with grants, free expert business advising and good jobs tools and coaching; expanding our Small Business Support Circle; advocating for state and federal policy; and working with impact investors across the country.

That is our Good Jobs Agenda. We hope you join us on this mission.

In Solidarity,

**Bulbul Gupta**

**President & CEO, Pacific Community Ventures**



# OUR IMPACT in 2020

## INVESTING in COMMUNITIES



**1,068**  
businesses

across the country received access to capital and advising



**\$4.8M**  
loans

funded, averaging \$70K



**85%**  
of capital

invested in businesses based in, or hiring from, economically distressed communities in California



**41%**  
of capital

invested in businesses based in majority-BIPOC communities in California



**35**

CA counties

had small businesses that received access to capital or advising



**5**

employees on average

at our companies in 2020, down from an average of 6 in 2019 due to COVID



**20%**

of our companies have one immigrant owner



**3%**

of our companies are veteran-owned



**1%**

of our companies are owned by returning citizens

## INVESTING in SMALL BUSINESS



**36%**

of our companies said they were profitable in 2020, while 51% operated at a loss due to COVID (**Small Business Majority** reports **52%** of all small businesses say that revenues are still down today compared to a year ago.)



**12%**

year-over-year median revenue drop at our companies due to COVID (**compared to an average revenue drop of 72%** for restaurants nationally, and a more than **52%** drop for other types of small businesses)



**4,559 jobs**

were retained at the businesses we served – a median job loss of 10% from 2019 **due to COVID**. **25%** of our clients created jobs in 2020, but **37%** let at least one person go

## INVESTING in GOOD JOBS



**\$21 & \$15**

median full-time and part-time hourly wages at PCV supported small businesses



**52%**

of full-time workers at supported businesses are eligible for health benefits, **33%** are eligible for retirement benefits, and **70%** have paid time off (a 5% increase from 2019)



**66%** of businesses

provide workers with schedules at least two weeks in advance (up 5% from last year)

GoJo Auto  
Denver, CO



# OUR IMPACT in 2020

## INVESTING in RACIAL & GENDER EQUITY



**84%**  
of the 1,068 small business owners we work with nationwide are women or people of color



**58%**  
are women



**28%**  
are Black

- 14% are AAPI
- 10% are Latinx
- 4% identify as Other
- 3% multiracial
- 1% are Native American



**76%**  
of our capital is invested in people of color in California (up from 63% last year)

- 25% AAPI
- 19% Black
- 18% Latinx
- 10% Other
- 2% Multiracial



**82%** of workers at PCV supported businesses are people of color, and **41%** are women

## THE IMPACT of COVID



**COVID-19** affected our clients in the following ways:

**52%**  
had to pivot their business

- 52% had a decrease in customer demand
- 19% had to furlough employees temporarily
- 18% had to lay off at least one employee

**43%** of businesses with a commercial space are struggling to make commercial rent or mortgage payments

- 26% had to close their business temporarily\*
- 34% had to cut back on business operating hours



**29%**  
had to cut employee hours

**47%**  
of businesses have been supported by local "sidewalk" infrastructure programs

- 54% of businesses reported their PCV business advisor supported them specifically on COVID-19 recovery efforts
- 66% of businesses received PPP loans, 53% received EIDL loans, and 36% received some kind of grant funding

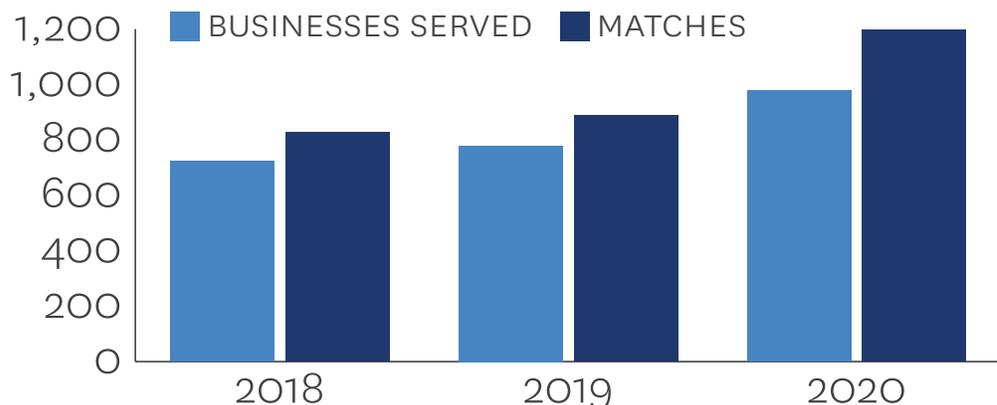
## BUSINESSADVISING.org



**16**

partners of PCV including community organizations, CDFIs, incubators, and accelerators nationwide in 2020 that help offer our BusinessAdvising.org platform to their small business clients

### We Served More Businesses Than Ever

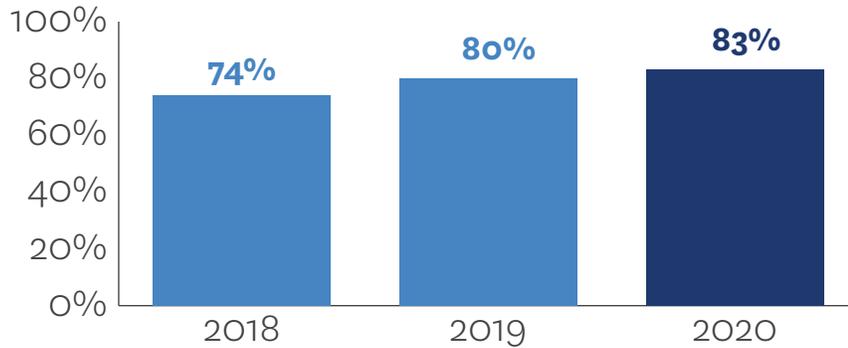


\* compared to 60% of non-PCV businesses

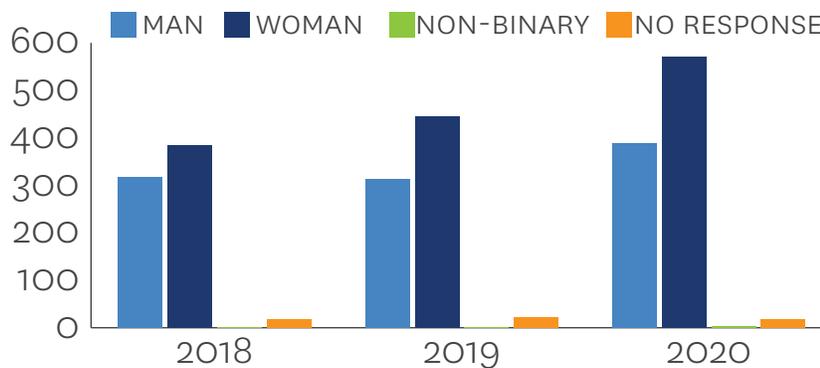


BUSINESSADVISING.org

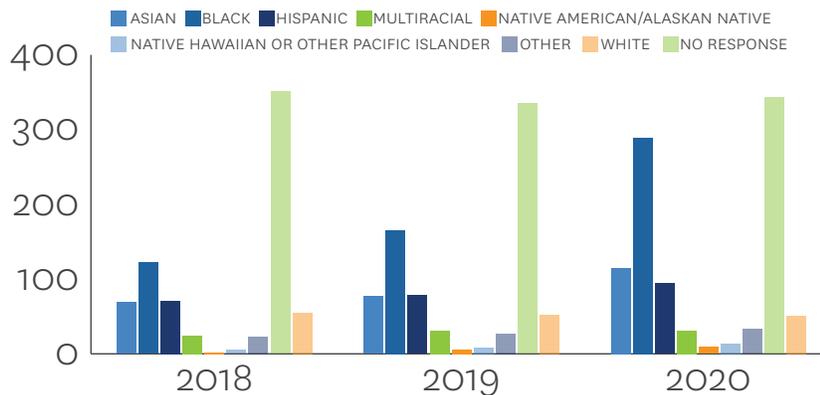
### Helping More Entrepreneurs of Color Fill the Advice Gap



### More Women Served Than Ever Before



### More Minority-Owned Business Owners Served Than Ever Before



### Scaling Nationally

Percent Served Outside California in 2020	
New York	4%
Washington	1%
Arizona	1%
California	43%
Colorado	1%
Connecticut	1%
District of Columbia	3%
Florida	1%
Georgia	2%
Hawaii	4%
Illinois	4%
Maryland	4%
Massachusetts	2%
Michigan	4%
Minnesota	1%
Missouri	1%
Nevada	1%
New Jersey	1%
North Carolina	1%
Ohio	1%
Oregon	5%
Pennsylvania	2%
Tennessee	3%
Texas	3%
Virginia	1%
Wisconsin	1%
<b>Grand Total</b>	<b>100%</b>



# GOOD JOBS, GOOD BUSINESS

## Prioritizing Employee Health Alongside Business Health

### WHAT IS A GOOD JOB?

Given the specific aspects of a good-quality job can vary by industry, business size, job function, and other factors, PCV **conducted research** to develop the first-ever flexible and measurable definition of a good job in 2016. A good job provides at least three of the following five key elements:



#### A Living Wage



#### Basic Benefits

(health insurance, paid leave, and retirement savings)



#### Career-Building Opportunities

(like training and internal opportunities for advancement)



#### Wealth-Building Opportunities

(like direct deposit or profit sharing)



#### A Fair & Engaging Workplace

(like predictable schedules for workers)

The COVID pandemic triggered the sharpest economic contraction in modern American history—GDP **shrank at an annual rate of 32.9% during the second quarter of 2020** as restaurants and retailers closed their doors. It's also made us keenly aware of just who America's essential workers are: grocery store workers, farm laborers, daycare staff, food service and restaurant workers, as much as our nurses, doctors, and first responders; all of whom keep our essential systems and services running. The workers most impacted by this crisis, disproportionately Black and Brown, are also underpaid and too many live without health and retirement benefits. That's why we at PCV don't want to go back to a "normal" of invisible and undervalued frontline workers, stagnant wages, declining small businesses, and systematic racial and economic injustice. We need to build forward better.

While PCV pivoted in 2020 to focus on small business resilience, job preservation, and getting restorative capital and advice into the hands of entrepreneurs who needed it and were being left out of the federal response, we never lost sight of our

mission to create good jobs. In response to the pandemic, our team was constantly working to get small business owners the tools and resources they needed to prioritize employee health and wellness alongside business health. With the support of JPMorgan Chase, we developed an **in-depth COVID-19 resource** for our **Good Jobs, Good Business website**, with practical advice and how-tos on managing employee compensation during the pandemic; ensuring physical safety; fostering mental and emotional wellness; building employee engagement, DEI and belonging; and supporting business owner leadership and decision-making during this unprecedented time.

A central way that we advance job quality nationally is to consult to and support capacity-building among CDFIs and workforce development organizations, and inform local, state, and federal policies from our experiences and lessons with PCV's Good Jobs, Good Business approach. Through ongoing support from PCV and access to PCV's business advising platform, we helped partners such as **Detroit Development Fund, Pursuit,**

**17%**

of PCV companies with employees are certified "Quality Jobs Creators" checking more than three boxes; 27% check two boxes, and 26% check one box but are looking to improve

**31%**

offer a Living Wage

**16%**

offer Basic Benefits

**43%**

offer Career-Building Opportunities

**18%**

offer Wealth-Building Opportunities

**29%**

offer a Fair & Engaging Workplace

**Small Business Majority** found many business owners reduced or eliminated benefits due to COVID-19. Among the benefits affected are sick days (reduced or eliminated by 18% of small business owners), family leave (15%) and health insurance (14%).

## ENTREPRENEURS *of* COLOR FUND



DETROIT  
DEVELOPMENT  
FUND  
Helping You Get There



We consulted with three CDFI partners from JPMorgan Chase's Entrepreneurs of Color Fund to share our Good Jobs, Good Business approach, business advisors, and Good Jobs, Good Business toolkit to support their work with small business owners in New York, Detroit, Chicago, and the Bay Area – including during the pandemic. PCV business advisors offered needed support to small businesses during the pandemic and served as trusted thought partners helping to identify different opportunities to generate revenue, update health and safety practices, and identify ways to check-in on their workers' mental health and well being. As the country opens back up and vaccines become more readily available, these small businesses and their advisors will continue looking for opportunities to tackle new opportunities and challenges through a good jobs lens.

**and Working Solutions** integrate aspects of PCV's integrated Good Jobs, Good Business model of affordable loans, business advising, the Good Jobs, Good Business toolkit, and impact measurement and management into their work with small businesses.

We also began working with investors, foundations, and policymakers interested in leveraging the Good Jobs, Good Business framework in their ecosystems, including in place-based investing efforts. We are grateful to the many funders of our Good Jobs Agenda, including the **Aspen Institute, JPMorgan Chase, the National Fund for Workforce Solutions, and the Walmart Foundation.**



Super Juiced  
Oakland, CA



## SUCCESS STORY

### Southside Cafe - Napa, CA

Southside is a Latina-owned cafe that provides its employees a living wage, career-building opportunities, and wealth-building opportunities. To support career advancement, not only do they offer 16-hours-per-year of employee training and reimburse employees for the cost of obtaining career-related credentials, but they also hire internally, allowing employees to grow in their careers. In the time they've worked with PCV they've gone from a catering company to a full cafe that's achieved a low-key cult status in wine country for its all-day breakfast. They are trying to build a business where people can build on their goals, which starts with a living wage.

In 2019, things were going great and they'd opened their third location in just over three years. When COVID hit, Southside had to temporarily close all of their locations for the safety of their team, pivot away from events and catering and begin offering delivery and curbside pickup. Southside has always invested in its workforce but was faced with hard decisions during the pandemic and had to pause dental and vision benefits temporarily. Their team understood this decision, and having workers so invested in the company made surviving 2020 possible.

*“It really took everyone working together to give ourselves the best opportunity to survive,” said co-owner Morgan. “That was one positive – everyone was in this together.”*

## NATIONAL FUND *for* WORKFORCE SOLUTIONS



From 2019 through 2020, PCV partnered with the National Fund for Workforce Solutions and two workforce development organizations – Civic Works and Central Iowa Works – to explore how to adapt a good jobs approach within workforce partnerships with small businesses. Civic Works and Central Iowa Works paired nine small businesses in Baltimore and Des Moines across the retail, hospitality, and restaurant sectors with advisors who used PCV's Good Jobs, Good Business Toolkit to guide efforts to improve job quality for workers and strengthen businesses' bottom lines.

During COVID-19, business owners and advisors focused on addressing the needs of businesses and workers, and together pivoted business models, implemented enhanced employee health and safety practices, deepened employee engagement efforts, and identified funding opportunities. To learn more about this partnership during COVID-19 check out the **Aspen Institute's Job Quality in Practice Webinar** that featured two Baltimore restaurants, Connie's Chicken & Waffles and Well Crafted Kitchen.

# MICRO & SMALL BUSINESS LENDING

## Fair & Affordable Capital Across California

### Counties that PCV Serves



### PCV LENDING



**\$4.8M**

loans funded in 2020  
(averaging \$70K)



**31%**

*job growth*

averaged by PCV's lending clients in 2020

#### *Our companies spanned industries*

- 24%** Food Services
- 16%** Other Services (except Public Administration)
- 12%** Manufacturing
- 9%** Professional, Scientific, and Technical Services
- 9%** Retail Trade
- 7%** Wholesale Trade
- 6%** Health Care and Social Assistance
- 4%** Construction
- 4%** Educational Services
- 3%** Administrative and Support and Waste Management and Remediation Services
- 3%** Arts, Entertainment, and Recreation
- 1%** Agriculture, Forestry, Fishing and Hunting
- 1%** Transportation and Warehousing

#### *We empower micro businesses:*



**6** average number of employees at our businesses

#### *Time in business:*

- 10%** Less than 2 yrs
- 25%** 2-5 yrs.
- 34%** 5-10 yrs.
- 22%** 10-20 yrs.
- 9%** More than 20 yrs.

#### *Our portfolio is based on economic and racial justice. In 2020:*

**84%**

of capital deployed went to women or entrepreneurs of color

**46%**

of our loans are invested with women business owners

**74%** of our loans are invested with business owners of color

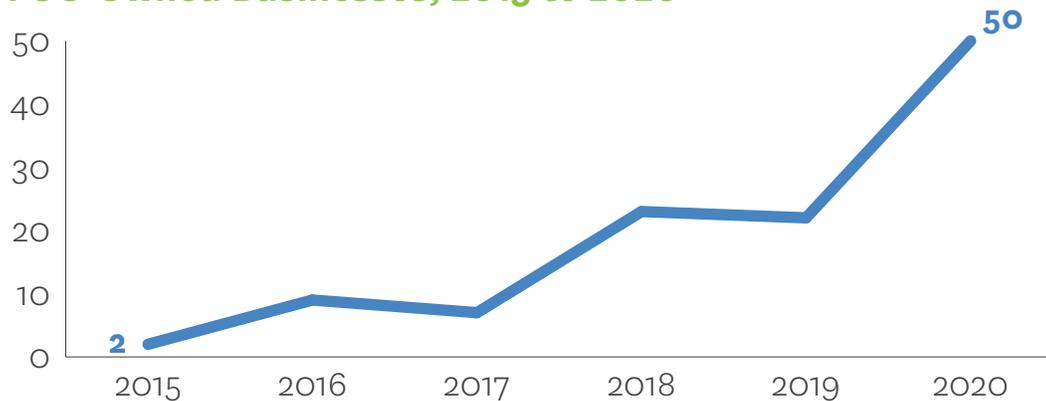
**26%** White      **19%** Black      **10%** Other

**25%** AAPI      **18%** Latinx      **2%** Multiracial

**78%** of clients and **81%** of dollars invested in businesses based in or hiring from LMI communities



## POC-Owned Businesses, 2015 to 2020



Women of color account for 89% of the new businesses opened every day. At the same time, we know that the pandemic has hit women – and women of color – hardest of all. Black and Brown Americans are the real face of American entrepreneurship, but only 1% of Black business owners who apply for loans in their first year of business **get them**; almost 75% of women business owners say their most common obstacle to growth is a lack of capital, and 95% of Black-owned businesses that applied for PPP in 2020 **were denied**.

If we're going to build forward better for business owners of color, their families, and their workers, we need to take this opportunity to break with the past and create systems that meet them where they are. PCV has been working hard to center the needs of women business owners and business owners of color in our lending. By doing that we're helping them create good jobs and strengthen communities across America.

When COVID hit, demand for our capital grew almost 10,000%. We received 1,945 loan inquiries totaling \$172 million. While many investors pulled back and stopped lending entirely in 2020, PCV kept our lending open without interruption, and rapidly responded to our clients by refinancing their loans, providing payment deferrals and interest-only payment periods, and helping them plan ahead for extended shutdowns and necessary business pivots. Our combined efforts to help our clients was also reflected in PCV's own financial health. Between our loan servicing and advisors who helped small businesses pivot, manage their finances, and implement eCommerce, among other adaptations, we had a healthy loan portfolio. We had nine early payoffs and our write-offs were only at 0.06%. This underscores the value of our business advising for pre- and post-investment support.

PCV has also gone big in our response by co-founding the \$150 million California Rebuilding Fund, which leverages private money with state guarantees to fuel the recovery. And we've worked with the California IBank for a faster auto-approval process that guarantees 95% of each loan we make under \$100K, the range we see most requested by our community. We've also partnered with the state of California and Lendistry on administering the \$2.5 billion California Relief Fund grant program, and with Wurwand Foundation on their FOUND/LA Small Business Recovery Fund.

PCV is able to serve women and entrepreneurs of color with fundamentally good businesses who have been denied access to traditional sources of financing because we have developed through years of lending experience a proprietary underwriting matrix which we continually refine for this purpose. We also use a blended capital approach involving grants paid to our clients for working on, and adding, good jobs elements. Blending lending and grant capital in addition to providing our advising program for post-investment support helps more businesses survive in this time of crisis, and thrive again.

It's not enough for CDFIs to simply do more of what we've done before; rather, we must bring all of our assets to bear upon the challenges before us to build a better world with racial and economic justice at its heart. That's why PCV has been encouraging the expansion of blended finance as a critical tool for the entire CDFI industry. Our CEO Bulbul Gupta and advisory council member Jed Emerson **wrote in ImpactAlpha** that "To attain the goals of racial and economic justice, we'll need more than traditional approaches to lending and investing. We need a renewed commitment to blended finance as capital and community catalyst." We've begun to see this from some of our partners like the **New World Foundation**, an early investor in

our Good Jobs, Good Business model who supplied PCV with additional outcomes-oriented impact-first capital in 2020.

We are grateful to the many funders of our Business Lending program, including **Bank of America, Capital One, CNote's Rapid Response and Wisdom funds, HSBC, JPMorgan Chase Pro Neighborhoods, the New World Foundation, Opportunity Finance Network, the San Francisco Foundation, the SBA, Wells Fargo, and the Wurwand Foundation.**



### SUCCESS STORY

#### Alicia's Tamales Los Mayas – Hayward, CA

Alicia Villanueva is the founder of Alicia's Tamales Los Mayas in Hayward. When Alicia began, she would make tamales with her family after working a nine-to-five job, and together, they would sell them door-to-door. Prior to the pandemic, she had a team of 20 producing 40,000 tamales a month. "By the end of [2020], I was all out of options. It was then when I learned about the California Rebuilding Fund. I applied through Pacific Community Ventures, and was one of the first 1,000 small businesses in the state to receive a loan. The loan came at a crucial time for us, and we used the funds for payroll, invested a portion back into the business, and reached new clients."



### SUCCESS STORY

#### Vegan Mob - Oakland, CA

Vegan Mob is an Oakland-based restaurant on a mission to provide nutritious and healthy food with plant-based ingredients. Vegan Mob is owned by Chef Toriano Gordon whose passion is to help surrounding communities by empowering them with food they love and enjoy, while also supporting a healthy lifestyle. Toriano is a dedicated father and husband from San Francisco's Fillmore District. After dedicating a decade of his life to helping at-risk and formerly incarcerated youth in the San Francisco Bay Area, he decided to pursue his lifelong passion of cooking. Toriano experienced a huge shift in his health and well-being after adopting a plant-based diet and he now feels compelled to share this with others. His menu consists of traditional family soul food recipes and barbecue fusion. When Toriano needed funds to support his growing business, his bank turned him down, but PCV said yes. We partnered with him on a \$60,000 loan to support his growth and to create good jobs and healthy communities here in the Bay. And Vegan Mob has become such a hit, they're growing. In 2021 we lent Toriano another \$200,000 to fund a takeout-and delivery-only ghost kitchen location in San Jose, and a new food truck slated to park in the Mission District in San Francisco.

*Vegan Mob has become such a hit, they're growing.*

# SMALL BUSINESS ADVISING

## Closing The Small Business Advice Gap



Kasa Indian Eatery  
San Francisco, CA

**12,840**  
number of hours PCV  
business advisors  
volunteered – that's  
**\$2,503,800** worth of  
free advice and coaching  
(according to Taproot's  
**industry standard** of  
\$195 average hourly value  
of pro bono service.)

**1,000+**  
business owners  
matched with advisors for  
the first time

**51%**  
of Advisors are former  
entrepreneurs themselves

**48%**  
of Advisors are BIPOC

**25%**  
of Advisors can support  
clients in languages other  
than English

**52+**  
languages spoken by  
Advisors (including  
Mandarin, Cantonese,  
Vietnamese, Tagalog,  
and Spanish - all highly  
demanded in 2020)

Black women are 300% more likely to launch a new business than a white person, and Latinas are 180% more likely. They're also more likely to fail. There are many reasons for this, but the biggest ones are lack of capital, and lack access to advisors and networks that could help their businesses thrive. This puts these job-creating entrepreneurs at a disadvantage. Before COVID, 70% of small businesses whose owners had an advisor were shown to survive at least 5 years—twice the rate of businesses whose owners lacked advisors. That is the reason that PCV's BusinessAdvising.org platform is critical to fostering not only an inclusive recovery, but to fighting the racial wealth gap through entrepreneurship.

When the pandemic hit, demand for our advising program jumped 20-times, as companies across the country suddenly needed advice on pivoting their businesses, reopening safely for workers and customers, and getting their companies online. And we didn't stop there. We grew our program over the year to center the needs of small business owners by holding listening sessions every other month, launching a private Facebook community for our small business owners, and hosting Ask Me Anything: Expert Office Hour sessions where business owners could get advice directly from our expert advisors and business partners. We also built on our growing social justice mission with major promotional pushes starting in June highlighting our Black-owned clients, Latinx-owned clients, and AAPI-owned clients. And with a focus on equity, for the first time we're able to serve monolingual non-English speakers in Spanish and Cantonese.

## THE SMALL BUSINESS SUPPORT CIRCLE



The biggest way our Advising Program has responded to the pandemic and the bright light it's shone on structural inequity is through the launch of our Small Business Support Circle. Anchored by a 3-year \$3 million investment from Kaiser Permanente, Pacific Community Ventures is bringing together a rapidly growing coalition of companies and organizations invested in the success and resilience of small businesses across the United States. Members of the PCV Small Business Support Circle are getting millions of dollars of free advice into the hands of job-creating small business owners by leveraging and scaling our unique BusinessAdvising.org pro bono advising platform to provide small businesses the support they need to survive and thrive, empowering workers, and the communities they serve nationwide.

We are grateful to the many funders of our Business Advising program, including **Bank of America, Bank of the West, Capital One, Charles Schwab, Cisco, Comcast Universal, eBay Foundation, EBALDC, Federal Home Loan Bank of San Francisco, GoFundMe, ICIC, Intuit, Kaiser Permanente, William and Flora Hewlett Foundation, Workday, Union Bank, and Wells Fargo.**



## SUCCESS STORY

### Progeny Coffee Roasters – Berkeley, CA

You can find an \$8 cup of coffee in any city in America, while in Colombia, farmers are stuck in a poverty loop. Maria Palacio, co-owner of Progeny Coffee, is on a mission to change that. Maria grew up witnessing the struggles of smallholder coffee farmers. Her company's mission is to serve as a distribution platform to empower coffee farmers to lift themselves out of poverty. Progeny is a mission-led company, and Maria is committed to PCV's Good Jobs, Good Business work. "When I started the company, I had just left my previous job and just had a baby," Maria said. "I didn't have benefits from my last job, and I didn't want anyone else to go through that. What I want for myself is what I want for my team. When we interviewed people, the first thing they asked was about healthcare and retirement benefits. We needed people who knew coffee and the coffee industry, and doing everything we could to offer benefits right away has been a competitive advantage for us." Progeny has seen consistent revenue growth and job growth for three years in a row, but like all small businesses the COVID pandemic threw a wrench in that progress. "It's been a roller coaster," Maria told us. Maria and her co-founder John wanted to face this challenge head on, and decided to do everything in their power to not let a single team member go. This meant adapting their team from B2B to B2C. They launched an e-commerce store and implemented a subscription model.

*"We needed people who knew coffee and the coffee industry, and doing everything we could to offer benefits right away has been a competitive advantage for us."*



## SUCCESS STORY

### V-Solutions Consulting - El Segundo, CA

After 20 years of military service, Nola Veazie retired from the Air Force in 2002. Initially, she worked as a director for a drug and alcohol nonprofit that provided a residential program for mothers; however, Nola also continued to work with children in group homes and to train prison staff. Over the years, Nola developed an offering of continuing education units (CEUs). Drug and alcohol counselors have to take a certain number of CEUs every two years in order to maintain their certification. Nola officially launched V-Solutions Consulting in 2016. She was selected to be a part of Inner City Capital Connections (ICCC), a tuition-free executive leadership training program designed by the Initiative for a Competitive Inner City (ICIC) to build capacity for sustainable growth. The training was hosted in Los Angeles, and that's where Nola was connected with the Pacific Community Ventures team! This year, Nola got V-Solutions certified in the State of New York to provide drug and alcohol CEUs, and she's looking for other opportunities outside of California to expand V-Solutions' work. "I was given a chance when I came to a new country," Nola said, "and I want to help give other people a chance to become better. I want to be that person who inspires others to create opportunities."

*"I want to be that person who inspires others to create opportunities."*

# RESEARCH & CONSULTING –

## Building A Better Capitalism

**\$34.39M**

*investment capital evaluated  
across asset classes*

**\$3.46M**

*deployed or managed using our  
customized impact measurement and  
management*

**\$6.19M**

*cumulative grant funding in  
support of quality jobs*

**\$4.80M**

*cumulative grant funding for impact  
investing field-building research*

At the same time that we're working directly with small businesses to support their growth, we're also working with investors to create expanded access to things such as good jobs, affordable housing, and healthy food. For 15 years we've used our expertise to show investors how to put their dollars to work benefiting families, our environment, and our communities. According to the Global Impact Investing Network (GIIN), the impact investment market accounts for \$715 billion in capital, and the demand for sustainable and impact investing keeps growing. We're utilizing impact measurement and management, both before and after investments are made, to guard against "impact washing" and ensure that capital drives social and environmental good more efficiently and effectively.

Since 2010, Pacific Community Ventures has undertaken field-building research to provide investors, policymakers, and entrepreneurs with the information and tools they need to more effectively deploy capital and create economic opportunities in underserved communities. Our work has informed the efforts of the U.S. National Advisory Board (NAB) on Impact Investing and its successor, the U.S. Impact Investing Alliance (Alliance), as well as the G8 Social Impact Investment Taskforce.

In 2020, we won a competitive bid to conduct research from the **Tipping Point Fund on Impact Investing (TPF)**, a new donor collaborative focused on scaling impact investing with improved public policy and market infrastructure in the areas of data, metrics and measurement, and public engagement. TPF's funders

include the **Ford Foundation, The Rockefeller Foundation, the MacArthur Foundation, Omidyar Network, Pritzkers Foundation, and The David and Lucile Packard Foundation**. Our work has included publishing research and convening listening sessions to help shape new impact investing policies that can support COVID-19 recovery and help address inequality. This resulted in **Meeting the Moment: Impact Investing Policy, Inequality, and COVID-19 Recovery**, which outlined 26 different policy ideas for unlocking capital for impact investing. In 2021 we'll be publishing multiple follow-on policy briefs from these insightful interviews and roundtables.

Building off of our groundbreaking **Impact Due Diligence Guide**, we also conducted negative impact research, funded by **Surdna Foundation** and the **Piton Foundation at Gary Community Investments**. The practice of managing for negative impact in impact investing is relatively new, but critically important for the industry to grow and guard against "impact washing." Our research summarizes the most promising practices and resources that can help impact investors identify, manage, and report on negative impact, while also integrating negative impact risk management into their impact measurement and management approach.

PCV has always championed inclusive economic opportunity. In 2020 we began a five-year, in-depth evaluation of the **Community Investment Guarantee Pool (CIGP)**, which is comprised of

*During the early months of the COVID pandemic, access to healthy food became a critical issue to vulnerable people and communities across the country. We worked with partners on healthy food financing such as Michigan Good Food Fund*

leading foundations including **The Kresge Foundation, Robert Wood Johnson Foundation, The California Endowment, Chan Zuckerberg Initiative, The Annie E. Casey Foundation and CommonSpirit Health**. Our work will document findings and lessons learned, and apply a racial equity lens in surfacing critical data and insights to support the work of the CIGP in decreasing barriers to investment in low-income communities and communities of color. PCV was selected for this work because of our extensive impact measurement and management and evaluation expertise, practical experience as a CDFI focused on supporting entrepreneurs of color in creating good jobs, and deep knowledge of impact investing and the broader capital markets. The goal of the project is to help scale the effective use of guarantees as a financing tool to accelerate community investment.

We also continued our evaluation work with **Capital Impact Partners' Detroit Equitable Development Initiative (EDI) Program**. Capital Impact Partners began their Detroit EDI in 2018 in order to better ensure that real estate developers of color are able to participate in Detroit's growth and revitalization efforts; this program combines training, mentorship, and financing for real estate developers of color so that the development landscape of Detroit better reflects the city's population.

During the early months of the COVID pandemic, access to healthy food became a critical issue to vulnerable people and communities across the country. We worked with partners on healthy food financing such as **Michigan Good Food Fund**, a \$30 million public-private partnership loan fund that supports good food enterprises working to increase access to affordable, healthy food in low-income and underserved communities. 2020 culminated a multi-year, developmental evaluation that helped the partners understand their impact to date and identify opportunities to strengthen the program moving forward. We also published **multi-year findings (2015-2019) in a report** which details the Michigan Good Food Fund's social and economic impacts as well as key findings and lessons learned.

PCV conducts impact measurement, management, and reporting for a wide range of clients — including foundations, investment funds, and institutional investors — and examines both public and private market investments. PCV was brought in by the **Sierra Club Foundation** to help refine its impact objectives and build out a theory of change, linking their activities to the social and environmental good they really wanted to create. This work helped them translate their impact



Shawn Michelle's Home Made Ice Cream  
Chicago, IL



## SUCCESS STORY

### Capital Impact Equitable Development Initiative – Detroit, MI

Real estate projects and commercial developments can completely change neighborhoods and cities. Yet in many cities – even in majority Black cities – the majority of developers are white. In an effort to ensure real estate developers truly reflect their city’s diversity and are able to participate in growth and revitalization efforts, Capital Impact Partners launched the Equitable Development Initiative beginning in Detroit and brought in PCV to conduct their impact evaluation. In our work together, PCV has helped them refine their strategies, center their stakeholders, and expand their program’s offerings (including the creation of a \$12.5 million loan fund).

thesis into real-world impact that could be measured both quantitatively and qualitatively, and provided a roadmap visualizing the ways that positive outcomes and impact are created through the work of fund managers and investees. Additionally, the theory of change will help guide the development of their impact measurement and management approach, including the selection of KPIs and creation of a robust impact due diligence process in alignment with the Impact Management Project and the United Nations’ Sustainable Development Goals.

We again worked closely with **Trinity Church Wall Street**, a growing and inclusive Episcopal parish based in New York City guided by its core values of faith, integrity, inclusiveness, compassion, social justice, and stewardship. Trinity’s grantmaking and mission-investing efforts are focused on four strategic initiatives: Housing and Homelessness, Racial Justice, Mission Real Estate Development, and Leadership Development. PCV advised Trinity on management and governance approaches for its mission investing strategy, which built off the work we did with Trinity in 2019, building out a logic model and an impact investing strategy.

We also continued our work with the **Egyptian-American Enterprise Fund (EAEF)**, starting work on their second annual impact analysis and report, which captures the history of the Fund and its developmental impact in Egypt from its inception in 2013 to the present-day. PCV’s initial work with EAEF was to develop a theory of change, captured within the inaugural impact report as its Strategy for Economic Growth.

# POLICY –

## Advancing Policy to Build Forward Better

PCV knows the critical importance of state and federal policy in helping small business owners, communities of color, and the impact investing industry build forward better. 2020 provided an opportunity in this moment of crisis to show lawmakers how to center working people and small businesses with fewer than 20 workers – **who make up 98% of all businesses in America** – while ensuring impact investing delivers meaningful benefits for U.S. communities and serves as a model for a more equitable recovery.

Our team was working with Congress, the White House, and all levels of government in California during 2020. Here are some highlights of our work:

- April 2020, PCV co-led a **Joint Letter from 50 CDFI CEOs** to investors, stakeholders, and policymakers to sound the alarm bells about the crisis we were starting to see in our small business communities.
- April 2020, PCV's CEO spoke at the **Access to Capital: Alternative Sources** rapid response session of the California Entrepreneurship Task Force, supported by the Office of the Small Business Advocate at GO-Biz, to discuss how small businesses can access capital.
- PCV was a founding member of the Page 30 Coalition in Spring 2020, advocating for small businesses left out of the federal PPP process to be better served, for the second PPP round to be designed more effectively, and for the creation of a CDFI carveout, briefing the new Administration, etc.
- PCV's CEO helped co-author and release **Big Ideas for Small Business**, a five-step plan outlining a path forward for America's threatened small business sector, including briefings for both campaigns, and the incoming Administration and Agency Review Teams. If implemented, the actions laid out in the roadmap would generate a net new 1.5 million small businesses above pre-COVID levels and grow small businesses' share of U.S. employment by 25% over 10 years.
- Alongside B Lab and the U.S. Impact Investing Alliance, we have advocated for the creation of a **White House Initiative on Inclusive Economic Growth** with the new Administration, and a working group to specifically advance the design of a domestic-focused Development Finance Bank to direct significant public and private resources to small businesses and underserved communities through use of first-loss guarantees and partnerships with CDFIs and other members of the community investment ecosystem.
- Winter 2020, PCV's CEO helped co-found the **Clinton Foundation's Inclusive Recovery Action Network** focused on CDFIs and small business recovery.
- December 2020, PCV's CEO co-authored a letter and participated in briefings with then Treasury Secretary nominee Janet Yellen and her team on the needs of CDFIs and our small business clients, to shape a more inclusive recovery and stimulus package for the incoming Administration.
- In August 2020 and January 2021, PCV testified at **public hearings for the California IBank**, and the GO-Biz office, to support the Governor's launch of the California Rebuilding Fund that we co-founded, and the State's small grants program, and the scale up of both.

### MEETING *the* MOMENT



#### Meeting the Moment: U.S. Impact Investing Policy, Inequality, and COVID-19 Recovery

A scan of promising impact investing policy ideas for consideration by the Federal Government

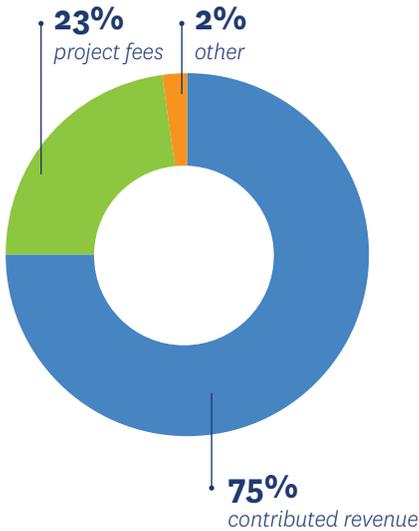
October 2020

The COVID-19 pandemic has demonstrated the consequences of income, wealth, and racial inequality in the U.S. on small businesses, economically-distressed communities, and people of color. With many small businesses shuttering, record levels of unemployment, and a runaway pandemic, impact investors are working to mobilize private capital to support the vulnerable, sustain businesses, and keep struggling communities afloat. Our discussion paper *Meeting the Moment: U.S. Impact Investing Policy, Inequality and COVID-19 Recovery*, supported by the Tipping Point Fund on Impact Investing, examines how impact investing policy can be used at the federal level to support the impact investing ecosystem in leveraging private capital to address inequality and catalyze COVID-19 recovery in the U.S.

# 2020 Financials

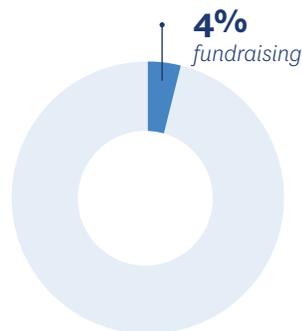
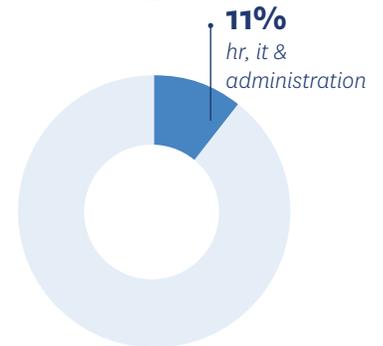
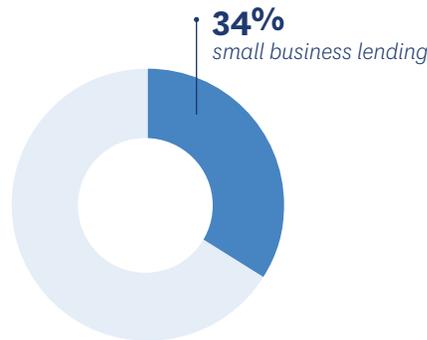
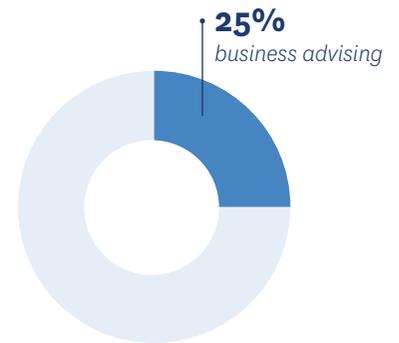
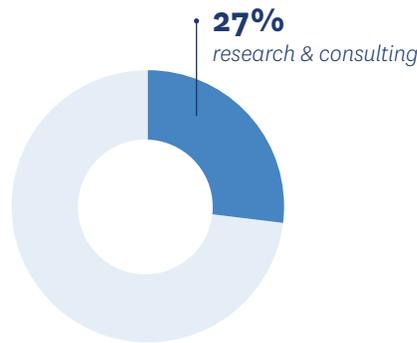
## Sources of Revenue

total: \$5,122,719



## Expenses By Category

total: \$3,824,694



### Our Mission

Pacific Community Ventures is a 501(c)(3) nonprofit community development financial institution (CDFI) that envisions a world of thriving communities where everyone has a fair shake. Our mission is to invest in minority and women-owned small businesses, create good jobs for working people, and make markets work for social good. We achieve our mission through a “Good Jobs, Good Business” model that combines affordable loans with pro-bono mentoring, small grants, social impact evaluation and research, and tools and incentives to create good-quality jobs that address racial and gender wealth gaps, and contribute to community wealth building.

# 2020 Board of Directors & Advisory Council

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DNA Motor Lab  
Hayward, CA