The Southern Opportunity and Resilience (SOAR) Fund is a mission driven conduit loan fund built to support small businesses and non-profits in the South and Southeast as they adapt, reopen safely, and recover from COVID-19.

28 Investors
45+ Partnering Organizations
11 Participating CDFIs

*all numbers are inception to 12/31/22
Additional SOAR Collaborators

With Support From

[Logos of various organizations]

Resources

If you need help applying for a loan, the Venturize website can help you find a local small business support organization in your community.

Find Help In Your Area

Business advisors can help you whether your goal is to get credit ready or to take your growing business to the next level. For more information, visit the online resources below.

Learn More

[Logos of various organizations]

Fund Management

*LISC Fund Management
Liscstrategicinvestments.org/soar
*all numbers are inception to 12/31/22
Borrower Demand

SOAR received more than 14,909 applications requesting $806 Million in loans.

SOAR has supported 1,148 small businesses and nonprofits across 15 states and Washington, D.C totaling $62.8 Million.
Borrower Profile

- **$54,686**
  - Average loan size

- **95%**
  - have revenues < 1 million

- **83%**
  - loans made to women or minority-led businesses

- **63%**
  - received business coaching

*all numbers are inception to 12/31/22*
Borrower Profile

75% of loans deployed went to minority-led businesses

4.4% loans made to Veteran-led businesses

55% of loans deployed went to black-owned businesses

41% loans made to women-led businesses

15.4% of loans deployed went to Latinx-owned businesses

95% have revenues <$1M

88% 10 or less full-time employees

*all numbers are inception to 12/31/22*
### Geographic Footprint

<table>
<thead>
<tr>
<th>State</th>
<th>Loans Originated</th>
<th># of Loans Originated</th>
<th>% of # of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$1,142,910.40</td>
<td>28</td>
<td>2.44%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>$154,078.32</td>
<td>3</td>
<td>0.26%</td>
</tr>
<tr>
<td>Delaware</td>
<td>$1,733,875.00</td>
<td>24</td>
<td>2.09%</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>$272,410.00</td>
<td>5</td>
<td>0.44%</td>
</tr>
<tr>
<td>Florida</td>
<td>$32,279,005.39</td>
<td>587</td>
<td>51.13%</td>
</tr>
<tr>
<td>Georgia</td>
<td>$9,722,510.20</td>
<td>167</td>
<td>14.55%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$1,230,972.00</td>
<td>28</td>
<td>2.44%</td>
</tr>
<tr>
<td>Maryland</td>
<td>$681,160.08</td>
<td>15</td>
<td>1.31%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>$284,439.00</td>
<td>6</td>
<td>0.52%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>$4,058,295.12</td>
<td>62</td>
<td>5.40%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>$5,100.00</td>
<td>1</td>
<td>0.09%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>$944,572.48</td>
<td>27</td>
<td>2.35%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$398,742.00</td>
<td>6</td>
<td>0.52%</td>
</tr>
<tr>
<td>Texas</td>
<td>$6,709,369.85</td>
<td>135</td>
<td>11.76%</td>
</tr>
<tr>
<td>Virginia</td>
<td>$2,901,356.68</td>
<td>51</td>
<td>4.44%</td>
</tr>
<tr>
<td>West Virginia</td>
<td>$260,230.00</td>
<td>3</td>
<td>0.26%</td>
</tr>
</tbody>
</table>

15 states
## Industry Diversity

### 21 industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation &amp; Food Service</td>
<td>2.35%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>0.52%</td>
</tr>
<tr>
<td>Business Services</td>
<td>13.59%</td>
</tr>
<tr>
<td>Construction</td>
<td>9.15%</td>
</tr>
<tr>
<td>Dentists/Physicians</td>
<td>0.70%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>3.22%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>1.05%</td>
</tr>
<tr>
<td>Gas Stations &amp; Convenience Stores</td>
<td>0.17%</td>
</tr>
<tr>
<td>Healthcare and Social Assistance</td>
<td>5.31%</td>
</tr>
<tr>
<td>Hotels</td>
<td>0.35%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>1.92%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.22%</td>
</tr>
<tr>
<td>Other</td>
<td>14.37%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>18.47%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1.48%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>4.79%</td>
</tr>
<tr>
<td>Retail</td>
<td>7.84%</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>8.36%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.17%</td>
</tr>
<tr>
<td>Waste Management</td>
<td>0.61%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.35%</td>
</tr>
</tbody>
</table>

*all numbers are inception to 12/31/22

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“I am grateful for TruFund’s assistance in getting a SOAR Loan for my business. The funds have helped to meet various business needs and to have working capital to meet monthly obligations.”

- JeFreda Brown, owner of Goshen Business Group LLC

Goshen Business Group LLC used a SOAR loan to fund management and maintenance of rental properties
Key Success & Insights

✓ Leveraged multiple investors to establish a capital and LLR fund that maximizes impact across U.S.
   • 28 total investors
   • 1,148 loans were made to small businesses & nonprofits
   • 15 states and Washington, D.C
   • $62.8M total deployed

✓ Reached small-businesses that are typically and disproportionately excluded from traditional financing
   • 83% of $ deployed to businesses owned by woman or person of color
   • 95% businesses with revenues <$1M
   • 88% businesses with 10 or less full-time employees

✓ Built capacity and ecosystem of local community lenders
   • 11 participating CDFIs deployed funds
   • Increased liquidity for local CDFIs by purchasing up to 95% of the loan amount
   • Mitigated risk with shared loan loss reserve funds

✓ Streamlined application process and portal
   • Standardized application portal via Connect2Capital
   • Automated referral process
   • Standard loan terms and documentation

*all numbers are inception to 12/31/22
About the Southern Opportunity And Resiliency (SOAR) Fund

The SOAR Fund leveraged capital from 28 investors through CDFI loan purchase facility to help scale CDFI small business lending capacity. For every $1 of lending capacity on-balance sheet, CDFIs were able to offer up to $20 of new small business loans. Critical to success is the model’s ability to support the full small business ecosystem from community lender to Main Street small business. The model combines loan capital with technology to support loan originations and technical assistance to support small businesses applying for credit. This holistic approach is designed to build local CDFI capacity so that these institutions can do what they do best, reaching more borrowers in underbanked and minority communities.

Contact:
General Information: soar@lisc.org
Investor & Media Inquiries: strategicinvestments@lisc.org

About Local Initiatives Support Corporation & LISC Fund Management

LISC is one of the country’s largest community development organizations, helping forge vibrant, resilient communities across America. LISC works with residents and partners to close systemic gaps in health, wealth and opportunity and advance racial equity so that people and local economies can thrive. Since its founding in 1979, LISC has invested $29.7 billion to create more than 489,261 affordable homes and apartments, developed 81.5 million square feet of retail, community and educational space and help tens of thousands of people find employment and improve their finances.

LISC Fund Management (LFM) is a wholly-owned subsidiary of LISC, and registered investment adviser registered with the U.S. Securities and Exchange Commission (SEC). The private funds sponsored by LISC are available only to eligible investors, are offered only pursuant to their official offering documents, and are managed by LFM. For more, visit www.lisc.org and www.liscstrategicinvestments.org.
Disclaimer

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This report is not, and nothing in it should be construed as, an offer, invitation, or recommendation in respect of the Company’s credit facilities or any of the Company’s securities, or an offer, invitation, or recommendation to sell, or a solicitation of an offer to buy, the facilities or any of the Company’s offerings in any jurisdiction. Neither this report nor anything in it shall form the basis of any contract or commitment. This report is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

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All forward-looking statements attributable to the Company or persons acting on its behalf apply only as of the date of this document, and are expressly qualified in their entirety by the cautionary statements included elsewhere in this document. Any financial projections are preliminary and subject to change; the Company undertakes no obligation to update or revise these forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections may be inaccurate in any material respect. Therefore, the actual results achieved may vary significantly from the forecasts, and the variations may be material.

There is no assurance that the investment objective of a fund managed by the Company will be achieved or that investors will receive a return on their capital. Investors must read and understand all the risks described in a fund’s final confidential private placement memorandum and/or the related subscription documents before making a commitment. Investors also must consult their own legal, accounting and tax advisors as to the legal, business, tax and related matters concerning the information contained in this document to make an independent determination and consequences of a potential investment in a fund, including US federal, state, local and non-US tax consequences.

Past performance is not indicative of future results or a guarantee of future returns. The performance of any portfolio investments discussed in this document is not necessarily indicative of the performance of any other of the Company’s portfolio investments or any future performance, and investors should not assume that investments in the future will be profitable or will equal the performance of past portfolio investments. Investors should consider the content of this document in conjunction with investment fund quarterly reports, financial statements and other disclosures regarding the valuations and performance of the specific investments discussed herein.

The Company may not be able to achieve its investment objectives (including target returns) for various reasons, as set out in more detail elsewhere in this document and in the offering documents. Among other things, the novel coronavirus (COVID-19) outbreak throughout the world and related responses (e.g., closing of various market segments and businesses) has raised uncertainty in valuing (and making related estimates for) certain assets, including assets that the Company holds or will seek to invest in. This uncertainty could remain for a significant period of time.

Certain information contained herein has been obtained from third-party sources. Although the Company believes the information from such sources to be reliable, the Company makes no representation as to its accuracy or completeness.
About 60 Decibels

We Listen to the people you are serving, so their voice can be heard.

We Measure through phone-based surveys that gather rich, nuanced data quickly and affordably.

We Benchmark your performance to show how you compare to peers, allowing you to learn, adjust and improve.
Project Summary

Our aim was to understand the impact of the SOAR Fund, and build on insights from previous loan fund projects, by listening directly to those who have received loan capital from the Fund.

Loan Fund Insights To Date

60 Decibels has partnered with CRF USA and Calvert Impact to understand the impact of loan funds across the United States. In each fund, multiple partner organizations came together, via an innovative structure and collaborative funding model, to better understand and address common challenges in accessing and deploying capital for historically underserved communities.

As more funds are set up through SSBCI, hearing directly from small business owners about their experience and outlook will support responsive decisions and supportive products to preserve businesses and jobs.
## Summary Of Data Collected

275 phone surveys completed between February and March 2023

### Methodology

<table>
<thead>
<tr>
<th>Survey mode</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>United States</td>
</tr>
<tr>
<td>Language</td>
<td>English</td>
</tr>
<tr>
<td>Dates</td>
<td>February – March 2023</td>
</tr>
<tr>
<td>Sampling loan recipients</td>
<td>Random sample from list of 1079</td>
</tr>
</tbody>
</table>

### Responses Collected

- Loan recipient respondents: 275

### Accuracy

- Confidence Level: 95%
- Margin of Error: 5%
State Profile

The SOAR Fund made loans in 16 Southern states. We interviewed loan recipients from 14 of them**.

Georgia and Texas have the greatest percentage of BIPOC loan recipients (97% and 91%, respectively) while Virginia has the lowest (77%).

Florida and Georgia are the states with greatest representation of female loan recipients, with 44% and 47% female loan recipients, respectively.

42% of loan recipients we surveyed live in Florida, 15% in Georgia and 14% in Texas; this sampling is proportional to the distribution of all loan recipients.

About the Loan Recipients We Spoke With

Data relating to loan recipients’ characteristics:

**Location** (n = 275)

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>42%</td>
</tr>
<tr>
<td>Georgia</td>
<td>15%</td>
</tr>
<tr>
<td>Texas</td>
<td>14%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>9%</td>
</tr>
<tr>
<td>Virginia</td>
<td>5%</td>
</tr>
<tr>
<td>Other*</td>
<td>15%</td>
</tr>
</tbody>
</table>

*States considered in the “Other” category include Alabama, Delaware, South Carolina, Louisiana, Maryland, Arkansas, District of Columbia, Mississippi, Tennessee. They have from 1 to 9 respondents per state, making the sample too small for relevant segmentation.

**Oklahoma and West Virginia are not considered in the 275 responses given that they represented 0.1% and 0.3%, respectively, of the total loan recipient population.
Key Questions We Set Out to Answer

- **Small Business Owner Profile**
  - State Profile
  - Demographic Profile
  - Business Profile

- **Accessing Capital**
  - Prior Access to Business Loans
  - Availability of Alternatives
  - Comparison to Online Lenders

- **Loan Recipient Experience**
  - Satisfaction
  - Application Experience

- **Loan Recipient Impact**
  - Changes on Employees’ Quality of Life
  - Perceived Impact
  - Loan Additionality and Repayment
  - Business Growth

- **Business Finances and Outlook**
  - Cash Reserves and Sources of Capital
  - Additional Capital Support
  - Property Ownership
  - Business Goal
Four Things That Stood Out...

...about what we learned from SOAR loan recipients.

1. More than half of respondents are borrowing money for their business for the first time.

2. Loan recipients are satisfied with their SOAR experience.

3. The SOAR loan has had a positive impact for small businesses.

4. Capital needs moving forward.
**Accessing Business Loans**

We wanted to understand the capital landscape of small business owners across the South and Southeast United States by asking if they had ever borrowed money for their business. 

BIPOC loan recipients are less likely (38%) to have borrowed money previously compared to non-BIPOC loan recipients (69%).

Florida and North Carolina are the states with higher percentages of loan recipients that haven’t borrowed money for their business before applying to the SOAR Fund loan, 66% and 58% respectively. Florida is also the state with the highest rate of BIPOC loan recipients that have not borrowed money for their business before.

3 in 5 respondents we spoke with are borrowing money for their business for the first time with the SOAR Fund loan.

**Business Loan**

Q: Have you ever borrowed money for your business before applying for this loan? (n = 273*, 214 BIPOC, 32 Non-BIPOC)

<table>
<thead>
<tr>
<th>State</th>
<th>n</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida</td>
<td>114</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>24</td>
<td>41%</td>
<td>58%</td>
</tr>
<tr>
<td>Virginia</td>
<td>14</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Texas</td>
<td>38</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Georgia</td>
<td>42</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>Other</td>
<td>41</td>
<td>37%</td>
<td>63%</td>
</tr>
</tbody>
</table>

*Note: Overall n value includes both BIPOC and Non-BIPOC respondents, as well as those who did not disclose their race.
Availability of Alternatives

Three quarters of respondents indicate they could not have found a good alternative to the SOAR Fund loan.

Availability of alternatives provides insight into the competitive landscape and the degree to which the SOAR Fund is providing a scarce product/service.

Georgia has the highest proportion of loan recipients (88%) who say they could not easily find a good alternative to the SOAR Fund loan. Florida has the lowest proportion (65%) mentioning they could not find a good alternative, despite having a high rate of first access; suggesting there might be more competition in that market. For the 11% of respondents who could find an alternative, 42% would turn to another bank loan.

There is no significant difference regarding BIPOC and non-BIPOC respondents.

Access to Alternatives
Q: Could you easily have found a good alternative to the SOAR Fund loan? (n = 275, 214 BIPOC, 32 Non-BIPOC)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Maybe</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIPOC</td>
<td>12%</td>
<td>15%</td>
<td>73%</td>
</tr>
<tr>
<td>Non-BIPOC</td>
<td>12%</td>
<td>12%</td>
<td>76%</td>
</tr>
<tr>
<td>Overall</td>
<td>11%</td>
<td>15%</td>
<td>74%</td>
</tr>
</tbody>
</table>

List of Alternatives
Q: What would that alternative be? (n = 32)

- Other bank loans: 42%
- SBA loan: 19%
- Private lending: 13%
- Other: 19%
- Don't know: 6%
“Whoever came up with the SOAR program needs to know that it is very appreciated by people.” – Male, Arkansas
Four Things That Stood Out... 

...about what we learned from SOAR loan recipients.

1. More than half of respondents are borrowing money for their business for the first time.

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Southern Opportunity And Resilience (SOAR) Fund Insights

Net Promoter Score® (NPS)

Q: On a scale of 0 to 10, where 0 is very unlikely and 10 is very likely, how likely are you to recommend working with SOAR Fund to a friend or family? (n = 275)

Net Promoter Score® (NPS)

SOAR Fund has a Net Promoter Score® of 80 amongst loan recipients, which is higher than the 60dB US and Financial Inclusion Benchmarks and suggests high satisfaction.

The Net Promoter Score® (NPS) is a gauge of satisfaction and loyalty. Anything above 50 is considered excellent. A negative score is considered poor.

Asking loan recipients to explain their score demonstrates what they value and what creates dissatisfaction. This follows on the next slide.

The NPS is higher for men (86) than women (77). Loan recipients in Virginia (86) and Florida (85) gave the highest NPS rating. The NPS for Texas (68) is the lowest amongst the most represented states. Nonetheless, it’s still above relevant 60dB Benchmarks.

60 Decibels Global Benchmark
500+ companies

47

United States Benchmark
19 companies

77

Financial Inclusion Benchmark
130 companies

52
Satisfaction: NPS Drivers

Promoters value loan approval processes, service experience, and interest rates. Detractors want to see clearer terms and conditions, and less cumbersome approval processes.

85% are Promoters

They love:

1. Loan approval process
   (45% of Promoters / 38% of all respondents)
2. Customer experience
   (20% of Promoters / 17% of all respondents)
3. Repayment terms and interest rates
   (17% of Promoters / 15% of all respondents)

"They were there when we needed funding the most. The loan was easy to complete, and the process was quick. The lender also cared about my business’s success.” – Female, Florida

Tip:
Highlight the above value drivers in marketing. Promoters are powerful brand ambassadors — can you reward them?

10% are Passives

They like:

1. Loan approval process
   (48% of Passives / 5% of all respondents)

But complain about:

2. Communication with staff
   (45% of Passives / 4% of all respondents)

"It was a seamless process. I got the money I needed but I did have to do a little back and forth with the lending agent. The communication was not the best, but the loan terms were great, so it was overall a good experience.” – Male, Virginia

Tip:
Passives won’t actively refer you in the same way that Promoters will. What would it take to convert them?

5% are Detractors

They want to see:

1. Clearer terms and conditions
   (31% of Detractors / 2% of all respondents)
2. Less cumbersome approvals
   (31% of Detractors / 2% of all respondents)

“The application process was fine, but they needed to be more transparent about the repayment amount. Initially, I knew it was interest-only payments, but then the payment ballooned to five times the size.” – Female, Texas

Tip:
Negative word of mouth is costly. What’s fixable here?
Loan recipients’ ability to reach the CDFIs has the lowest rating amongst the application experience metrics, however 88% of loan recipients still agree that the CDFI was available for questions. Loan recipients who disagree that the ‘CDFI is easy to reach with follow up questions’ have a lower NPS (27) compared to recipients who agree with the statement (88). This aligns with hypothesis that CDFI communications can be improved to increase loan recipient satisfaction.

Most loan recipients had a very positive loan application experience. Almost all agree that the loan term are clear and understandable.
Loan Application Improvements

85% of loan recipients don’t think there is anything about the online application that could be improved.

Of the 12% who say the application could be improved, 33% mention they want clearer information, especially given that the application process is divided in two: on the SOAR web page and then with the different lenders.

The proportion of loan recipients that have suggestions for improving the online application increases in less representative states, such as Alabama (33%) and Delaware (22%).

12% of loan recipients have a suggestion for improving the online application. 33% of them mention clear information as the top suggestion.
“The agents were helpful and friendly in their efforts to help me. They truly wanted to see my business succeed and were encouraging throughout the loan process.”

- Male, Virginia
Four Things That Stood Out...

...about what we learned from SOAR loan recipients.

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4. Capital needs moving forward.
The SOAR Fund loan has a higher impact on loan recipients’ ability to maintain jobs (79%) and a lower impact on their ability to increase employee pay (55%). This is also connected to the reported increase in the number of employees from 3 to 5 between the time of application and the survey date.

**Perceived Impact**

Q: Has … changed because of the loan? (n = 275)

- **…your ability to maintain jobs**
  - Very much increased: 79%
  - Slightly increased: 44%
  - No change: 20%
  - Slightly decreased: 6%
  - Very much decreased: 1%

- **…your savings balance**
  - Very much increased: 63%
  - Slightly increased: 45%
  - No change: 25%
  - Slightly decreased: 5%
  - Very much decreased: 2%

- **…your ability to manage your finances**
  - Very much increased: 62%
  - Slightly increased: 42%
  - No change: 34%
  - Slightly decreased: 10%
  - Very much decreased: 4%

- **…your pay to employees**
  - Very much increased: 55%
  - Slightly increased: 28%
  - No change: 45%
  - Slightly decreased: 20%
  - Very much decreased: 9%

*Excluding 21 loan recipients who don’t have employees
**Excluding 58 loan recipients who don’t have paid employees
Impact on Stress Levels

There is no significant difference in the change in stress levels by race.

Texas is the best performer, as 58% of the loan recipients say that their stress levels ‘very much improved’.

Nearly three quarters of loan recipients report improved stress levels because of the loan.

**Change in Stress Level**

Q: Has your stress level relating to your finances changed because of the SOAR Fund loan? (n = 271)

- **Overall** (n = 271):
  - Got much worse: 21%
  - Got slightly worse: 37%
  - No change: 76%

- **BIPOC** (n = 212):
  - Got much worse: 21%
  - Got slightly worse: 37%
  - No change: 76%

- **Non-BIPOC** (n = 32):
  - Got much worse: 24%
  - Got slightly worse: 37%
  - No change: 76%

*Note: Overall n value includes both BIPOC and non-BIPOC respondents, as well as those who did not disclose their race.*
Additionality of Loans

As a way to gauge how effective the loan was at increasing small business resilience, respondents were asked what would have happened to their business if they didn’t receive the loan.

45% of the businesses would have faced personal hardships, and 21% would have to lay off additional staff.

The SOAR Fund loan allowed businesses to avoid personal hardships and the laying off of additional staff.

Business Outcomes Without Loan

Q: If you did not have access to the loan from the SOAR Fund, what do you think would have happened to your business? (n = 275) Open-ended, coded by 60 Decibels.

- Would have faced personal hardships: 45%
- Lay off additional staff: 21%
- Reduced staff hours: 19%
- Business would have closed permanently: 12%
- Stop or reduced business growth: 7%
- Business would have closed temporarily: 4%
- Nothing: 6%
- Other (please specify): 6%
Business Growth: Impact on Income

76% of loan recipients say their income has improved because of their business activity, BIPOC loan recipients report a higher improvement.

Men (80%) and BIPOC (77%) loan recipients report a higher income change than women (69%) and non-BIPOC (74%) loan recipients.

Florida loan recipients are less likely to say their business income has ‘very much increased’ (28%) than North Carolina (46%), Virginia (43%), Georgia (43%), and Texas loan recipients (42%).

Change in Income

Q: Has your income changed because of your business activity? (n = 275)

- Very much decreased: Overall 6%, BIPOC 9%, Non-BIPOC 3%
- Slightly decreased: Overall 15%, BIPOC 11%, Non-BIPOC 9%
- No change: Overall 30%, BIPOC 41%, Non-BIPOC 36%
- Slightly increased: Overall 77%, BIPOC 76%, Non-BIPOC 70%
- Very much increased: Overall 70%, BIPOC 41%, Non-BIPOC 35%
Business Growth: Impact on Business Assets

73% of loan recipients say their business assets have improved. Non-BIPOC loan recipients report a higher improvement than BIPOC loan recipients.

85% of male loan recipients say their business assets have increased, compared to 71% of female.

When analyzed by industry*, 42% of construction loan recipients say their business assets have ‘very much increased’, followed by business services (32%) and transportation (26%).

There is a strong statistical relationship between loan recipients who say their business income has increased and those who report an increase in business assets.

We found no strong differences between states.

* Considering those with more than 20 respondents
Business Growth: Impact on Personal Assets

53% of loan recipients report their personal assets have improved because of their business activity.

BIPOC loan recipients are less likely to report a positive change in their personal assets than non-BIPOC recipients.

Men (61%) report a higher increase of personal assets than women (46%).

25% of North Carolina loan recipients say their personal assets have ‘very much increased’ followed by Georgia (19%) and Texas (18%).

While the percentage of BIPOC and non-BIPOC loan recipients that report an increase in income is similar, a higher percentage of non-BIPOC loan recipients report increases in both business and personal assets, compared to BIPOC loan recipients.

Change in Personal Assets

Q: Have your personal assets, such as vehicles, furniture, properties, and stocks, changed because of your business activity? (n = 275)

- Very much decreased
- Slightly decreased
- No change
- Slightly increased
- Very much increased

Overall (n = 275)

- 40% Very much decreased
- 38% Slightly decreased
- 15% No change
- 53% Slightly increased
- 60% Very much increased

BIPOC (n = 212)

- 41% Very much decreased
- 39% Slightly decreased
- 14% No change
- 53% Slightly increased

Non-BIPOC (n = 33)

- 31% Very much decreased
- 28% Slightly decreased
- 32% No change
- 60% Slightly increased
Four Things That Stood Out... …about what we learned from SOAR loan recipients.

1. More than half of respondents are borrowing money for their business for the first time.

2. Loan recipients are satisfied with their SOAR experience.

3. The SOAR loan has had a positive impact for small businesses.

4. Capital needs moving forward.
Loan Repayment

Although 39% of recipients consider their loan repayment a burden, 97% are 'confident' they will be able to repay their loan.

We use these two metrics to gauge recipients’ potential risk of being overindebted by their SOAR Fund loan.

Recipients who say their loans are ‘not a problem’ are more likely to be ‘very confident’ in repaying their loan (92%) compared to those that find them to be ‘somewhat of a burden’ (86%) or ‘a heavy burden’ (37%).

The average number of employees for businesses that consider the loan a heavy repayment burden is 2.6, while the average number is 4.9 for those who consider it ‘not a problem’. This suggests that loans could be perceived as a higher risk for smaller companies who have less operating capital.

42% loan recipients in North Carolina consider the loan repayment a burden, compared to 21% in Virginia.
64% of loan recipients say their business will require additional capital in the next 12 months. 66% would use it for marketing purposes. 17% of loan recipients would seek additional capital from an SBA loan and 14% from bank loan.

Additional Capital

Q: In the next 12 months, will your business require additional capital? (n = 253* | BIPOC = 196, Non-BIPOC = 33)

- Yes 64%
- No 36%

64% of loan recipients say their business will require additional capital in the next 12 months. 66% would use it for marketing purposes. 17% of loan recipients would seek additional capital from an SBA loan and 14% from bank loan.

Additional Capital Usage

Q: How would you use the additional capital? (n = 163)

- Marketing 66%
- Hire more Staff 59%
- Working capital 48%
- Purchase machinery or equipment 25%
- Purchase inventory 23%
- Building acquisition 10%
- Make building improvements 9%
- Refinance existing debt 4%
- Acquire a business 2%
- Start a business 1%
- Other 22%

Overall BIPOC Non-BIPOC

Expand business (8%) Increase salaries (4%)

Funding Source

Q: Where would you be most likely to look for additional capital? (n = 163)

- Small Business Administration loan 17%
- Loan or line of credit from a bank or credit union 14%
- Loan from a non-profit small business lender 14%
- Government grant 8%
- Online small business lender 7%
- Private equity investment 3%
- Other 33%
- SOAR (6%) CDFI loan (5%)

*Excluding 22 loan recipients who mentioned 'Don't know/Can't say'
Cash Reserves

Interestingly, BIPOC business owners report higher cash reserves than non-BIPOC business owners. 14% of BIPOC loan recipients say they could cover operating expenses for more than 2 years, compared to 3% of non-BIPOC loan recipients.

34% of businesses owners we spoke with have cash reserves to cover their normal operating expenses for 1 to 3 months, 12% have cash reserves for more than 2 years.

**Months Worth of Cash Reserves**

Q: Imagine your business stopped generating revenue. How long could you cover normal operating expenses with the savings / reserves you have? (n = 275).

- No cash reserves: 14%
- Between 1 - 3 months: 34%
- Between 4 - 6 months: 20%
- Between 7 - 9 months: 7%
- Between 10 - 12 months: 1%
- Between 1 - 2 years: 11%
- More than 2 years: 12%

Average 8.6 months
Lack of home or business property ownership is highest amongst Florida (45%), Virginia (43%) and Georgia (33%) loan recipients, compared to Texas (16%) and North Carolina (8%) loan recipients.

34% of BIPOC loan recipients own neither a home or business property, in comparison to 24% of their non-BIPOC counterparts.

32% of loan recipients own neither home nor business; 83% of these are BIPOC loan recipients.
SOAR loan recipients appear to have a better experience than loan recipients from other loan funds, a higher ability to maintain jobs, and a higher improvement in employee quality of life.

### Loan Funds Performance Snapshot

<table>
<thead>
<tr>
<th>Prior Loan Access</th>
<th>Better Lending Experience Compared to Others</th>
<th>Available Cash Reserves</th>
<th>Average Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA 54 NY 46 WA 47 SOAR 41</td>
<td>CA 56 NY 64 WA 55 SOAR 58</td>
<td>CA 94 NY 56 WA 91 SOAR 86</td>
<td>CA 7 NY 2 WA 3 SOAR 5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Promoter Score</th>
<th>Increased Ability to Maintain Jobs</th>
<th>Employee Quality of Life Improved</th>
<th>Stress Levels Reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA 71 NY 63 WA 63 SOAR 80</td>
<td>CA 67 NY 57 WA 70 SOAR 79</td>
<td>CA 69 NY 55 WA 64 SOAR 73</td>
<td>CA 77 NY 58 WA 73 SOAR 74</td>
</tr>
</tbody>
</table>
I am very grateful for the funds,
They helped my business
and made a difference.

I am also grateful that someone
> wanted
> my opinion
> in the matter.

Lindsay Smalling
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