

IMPACT CHARITABLE FILLS THE CAPITAL GAP FOR BLACK WOMEN ENTREPRENEURS



- \$70,000 INTEGRATED CAPITAL INVESTMENT
- PARTNERSHIP WITH CEDS AND SISTAHBIZ
- CHARACTER-BASED LENDING FOR BIPOC ENTREPRENEURS
- ANTICIPATED IMPACT: CAPITAL FOR 15 BLACK WOMEN & 60+ NEW JOBS IN BLACK-OWNED BUSINESSES

Impact Charitable DAF holders fund an innovative integrated capital investment to empower Black women in business

To Impact Charitable's community of catalytic philanthropists, impact investing is about actively deploying assets in creative ways—not just parking them in a passive fund. We united four Donor-Advised Fund (DAF) holders who saw a pressing need in our community and wanted to step in to fill the gap in a system that is neither equitable nor efficient.



THE PROBLEM

BLACK WOMEN FACE SYSTEMIC BARRIERS TO BUILDING & SUSTAINING A BUSINESS

DISCRIMINATORY LENDING

Lenders often require more documentation from Black applicants. In one study, **73% of Black applicants** were required to provide financial statements and evidence, compared to just 50% of white applicants.

Source: Journal of Public Policy and Marketing

LACK OF MENTORSHIP & NETWORKING



Source: Prosperity Now

Many Black business owners cite fewer networking opportunities and less culturally relevant guidance. One study participant said, "There is a lot of old money here from 'hand-me-down' businesses that are **non-minority and older**."

LOWER NET WORTH

64% of entrepreneurs in the United States rely on personal savings to fund their businesses, yet Black households have a **10x lower median net worth** than white households.

Source: Brookings

\$17,150
median net worth for Black households

\$171,000
median net worth for white households

FREQUENT CREDIT REJECTION

Black-owned firms apply for credit more often than white-owned firms but have an approval rate **19 percentage points lower**.

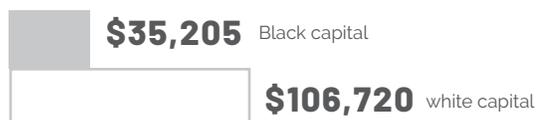
Source: Fed Small Business



19% LOWER

LESS START-UP CAPITAL

New Black-owned businesses start with roughly **3x less total capital** compared with white-owned businesses.



Source: Fed Small Business

"Black entrepreneurs are three times as likely as white entrepreneurs to say that a lack of access to capital negatively affects their businesses' profitability and almost twice as likely to cite the cost of capital."

Source: McKinsey

DESPITE LONG-STANDING **SYSTEMIC BARRIERS...**

"African American women are starting businesses at a rate six times the national average, and their 2.7 million firms are currently generating \$226.8 billion in annual revenue and employing almost 1.4 million people."

Source: Center for American Progress

Impact Charitable investors recognized an opportunity to support Black women who—even in the face of institutionalized disadvantages—are spearheading business growth in the United States. By uniting these DAF holders, we helped them mobilize their assets and move more dollars together.

THE SOLUTION

INTEGRATED CAPITAL FILLS A CRITICAL GAP

In partnership with Community Enterprise Development Services (CEDs) and Sistahbiz, Impact Charitable facilitated an integrated capital investment. This part-grant, part-loan better accounts for the full lifecycle of Black-owned business development, creating an outsized impact compared to grants or debt alone.



\$10,000 GRANT

\$60,000 INVESTMENT

\$4,000

CEDS GRANT

This grant enables CEDs, a Community Development Financial Institution (CDFI), to do underwriting in a more just way.

Instead of traditional asset-based lending that puts people of color at a systemic disadvantage, CEDs staff can commit the time and resources required for character-based lending (CBL).

CBL increases access to capital for Black women but due to its high-touch, time-intensive approach can only be done with adequate operational funding.

\$6,000

SISTAHBIZ GRANT

This grant supports Sistahbiz's back-office administration and day-to-day operations, which in turn provide:

- Business coaching and training
- Networking opportunities
- Culturally relevant mentorship

Through this grant, Sistahbiz is better able to serve Black women business owners and ensure that future loan recipients are fully capital-ready.

\$60,000

SISTAHBIZ LOAN FUND

The Sistahbiz Loan Fund accelerates Black women entrepreneurs once they are ready for business launch.

Loan recipients have successfully completed Sistahbiz's training program but struggle to access capital to launch, grow, or scale their businesses. Underwriting, funding decisions and debt servicing are done by CEDs. DAF investors will expect a 2% return on the investment after 7 years in the revolving loan fund.

Meet two Sistahbiz loan recipients below!

Melody Market received a \$25,000 loan for a self-checkout system.

Founded by LaSheita Sayer, this unique convenience store concept will celebrate the rich Black history of Five Points, a historically Black neighborhood that has experienced rapid gentrification and faces the risk of cultural erasure.



A holistic wellness company founded by Keisha Mathes, **Herbal Honey** received a \$30,000 loan to build a website, purchase raw materials and pay commercial rent.

Keisha is a mother of eight and founded her business to provide organic and natural recipes for wellness.



SISTAHBIZ, CEDS & **IMPACT CHARITABLE**



Impact Charitable partnered with two reputable nonprofit organizations to facilitate this unique integrated capital investment. In this role, the Impact Charitable team:

- Connected [CEDS](#), [Sistahbiz](#) and our community of catalytic philanthropists
- Completed necessary due diligence and deal closing on the investment
- Moved more dollars at once by combining funds from a number of investors, reducing the burden on recipient organizations

Like our investors, we asked where capital was needed most and what could be done to fill that gap. Working together with an award-winning local CDFI and Black-owned business incubator made this integrated investment possible for our DAF holders.

ABOUT IMPACT CHARITABLE

YOUR **THOUGHT PARTNER** & ASSET ACTIVATOR

At Impact Charitable, we recognize that some nonprofits, social enterprises and communities face systemic barriers when attempting to access investment and grant capital. We are dedicated to helping fill these capital gaps by collaborating with public and private funders.

We facilitate a range of philanthropic investments, including impact investing, traditional grant making and cash transfer programs.

 WWW.IMPACTCHARITABLE.ORG



BE A CHANGEMAKER

MOBILIZE YOUR ASSETS IN **UNCONVENTIONAL WAYS**

GET UPDATES ON NEW OPPORTUNITIES

Be among the first to learn about new opportunities like the Sistahbiz Loan Fund! Join our Impact Insider newsletter to receive email updates on the newest impact opportunities.

**SIGN UP FOR
IMPACT INSIDER**

JOIN OUR COMMUNITY OF IMPACT INVESTORS

We offer a variety of investment tools to Impact Charitable clients, including impact investments, special purpose funds, grants and donor-advised funds.

OPEN A DAF

INITIATE NEW WAYS TO MAKE CHANGE

We love partnering with bold funders who want to disrupt philanthropy. If you know an organization that might benefit from blended capital—or if you have an idea for filling a capital gap—we want to hear from you.

EMAIL US