The Runway Project

2018-2019 IMPACT REPORT

PICTURED
Arianna Marbley
Founder
Esscents of Flowers
Dear Beloved Runway Project Community,

People are waking up. They are waking up to information that is hard to hear, and not turning away. They are following their heart break and turning it into action. The Runway Project has had the good fortune to be a part of the action that is transforming our economy and our world.

It has been a hallmark year for The Runway Project. We have raised over $1 million dollars, expanded our team, and year to date, we have funded and welcomed 22 entrepreneurs into the family. We are forging new partnerships that will expand Runway’s national footprint in 2020. Most importantly, we have stayed true to our values and purpose. As Dr. Martin Luther King, Jr. so eloquently stated:

“It really boils down to this: that all life is interrelated. We are all caught in an inescapable network of mutuality, tied together into a single garment of destiny. Whatever affects one directly, affects all indirectly. I can never be what I ought to be until you are what you ought to be, and you can never be what you ought to be until I am what I ought to be...

This is the interrelated structure of reality.”

– Martin Luther King Jr.

Everyday we witness incredible resiliency. The majority of the Runway Project entrepreneurs have been operating businesses for many years, investing income from side hustles, they are raising families, they are hiring from and activating their communities, and their businesses are improving the world for all of us. They have done all of this without the early stage investment of capital, business advising, and informal resources that can make or break a business early on.

We are just getting started, and we are so excited to share our progress in our first year. We could not do this work without our beloved community. We are proud to have partners that are willing to push the boundaries of finance, and are utilizing capital as a source of healing, that can heal historical harm. We are grateful for the early “friends & family” funding that have bet on us.

Together, let us believe in each other with such passion and love that we offer one another our visibility, our validation and our vulnerability. May it break open “a qualitative change in our souls and a quantitative change in our lives.”

With love,

The Runway Project Team
About the Runway Project

In collaboration with FDIC and NCUA insured depository institutions, The Runway Project introduced its first strategy to support early stage funding for African American entrepreneurs - the Runway Friends & Family Certificates of Deposit. The CD provides a safe, familiar, investment opportunity for institutions and individuals alike.

To fully secure loans without creating a barrier for entrepreneurs, we raised a collateral fund through philanthropic and low-interest loan capital.

Our relationship-based underwriting process eliminates the historical barriers to accessing institutional funding such as an over reliance on credit score, personal collateral, business track record, or historical tax and financial reporting as indicators of future success. We focus on providing honest and constructive feedback to support the entrepreneur in developing their business.

In 2016, we piloted this approach with partnerships with Self Help Federal Credit Union and Uptima Business Bootcamp which provides holistic, culturally relevant, and rigorous business support alongside our loans. Once a loan is disbursed, the borrower begins one-on-one business advising, peer mentoring groups, and advanced business training programs for the life of the loan.

Our Mission

The Runway Project is a national organization that works to fix broken infrastructure surrounding African-American entrepreneurs through early stage “We believe in you” funding and holistic business support in order to bridge the racial wealth gap for African-Americans and their local communities.

AUGUST 2016

Oakland team & partnership with Uptima Business Bootcamp is formed

OCTOBER 2016

Jessica Norwood launches The Runway Project

OCTOBER 2016

The “Friends & Family” CD & Oakland Pilot launches & is immediately oversubscribed

OCTOBER 2017

First loan is made

BY END OF 2018

14 loans made, totaling $257,000

SEPTEMBER 2017

Raised first tranche of collateral account from philanthropic partners to begin lending

AS OF JUNE 2019

22 loans totaling $397,000

JANUARY 2017

Raised second tranche of collateral from RSF Social Finance
CAPITAL AND MARKET IMPACT

In the first year of operation, The Runway Project invested in 22 businesses for a total loan volume of $397,000. These businesses ranged from early stage to established businesses in industries such as Health & Beauty, Food & Beverage, Fashion & Sports Apparel and Accessories, and Business Services. The businesses received 303 business advising hours.

80%
women-owned businesses

35
jobs provided in the local community, a 35% increase over last year

Runway businesses hiring the formerly incarcerated, and producing & selling affordable, healthy, and environmentally-friendly products & services

57%
of entrepreneurs paid themselves a stipend or owners draw, signaling increased financial sustainability and wealth creation.

16%
growth in revenues over the prior year

$370K
in additional capital unlocked

“You can’t find a loan of that quality anywhere else and get consulting alongside it. It’s better than a ‘friends and family’ loan. Getting insight and education that is more valuable than what I could get with friends and family. What Runway is offering is one of the best I’ve ever seen.” –Runway Borrower

“Runway gave me money to move forward to purchase items, giving me security, and courage. I also love that it offers reasonable terms – it gives us time to build a business.”

–Runway Borrower
Our Impact

BUSINESS ADVISING IMPACT

303
hours of business advising delivered through December 2018

62
hours of pre-loan advising

187
hours of post-loan one-on-one advising

74
hours of peer group facilitation through 37 peer group sessions

“Our Impact

"Runway provides a nurturing space for me to be vulnerable with all the numbers. Has provided valuable information on funding, how funding works."

–Runway Borrower

“The 1:1 mentorship has been invaluable. We’ve really been grateful for all of the wisdom, suggestions, gentle nudging we’ve received. It’s expanded our vision for what’s possible for our business. It’s great to have a cheerleader in our corner who’s holding our hand and letting us know everything is going to be okay when things get really hard”

–Runway Borrower
Our Impact

BUILDING A NATIONAL MOVEMENT

The Runway Project has been featured in The San Francisco Chronicle and national publications such as Yes Magazine, Next City, and Impact Alpha.

San Francisco Chronicle

Startup loans to black entrepreneurs to ‘interject some balance in capitalism’
by Carolyn Said, November 4, 2018

NEXT CITY

Jessica Norwood: ‘Believe in you’ money for black entrepreneurs
by David Bank, October 22, 2018

IMPACT ALPHA

Jessica Norwood: ‘Believe in you’ money for black entrepreneurs
by David Bank, October 22, 2018

How Funding Black Businesses Can Help Bridge the Racial Wealth Gap
by Liz Brazile, December 14, 2018

PICTURED

Jaynell St. Jean
Founder
Pietisserie

GW Chew
Founder
Something Better Foods

“The funding allowed me to hire an assistant who is the lifeline of my business right now. It’s freed me up from the administrative work so I can focus on growing and scaling the business.”
–Runway Borrower
Borrowers

Ancient Treasure
Natural Skincare Products
myancienttreasure.com
Asara Tsehai

Azteca Negra
Fashion Accessories
aztecanegra.com
Marisol Catchings

B-Love’s Guest House
Guest House & Art Space
b-lovesguesthouse.com
Traci Bartlow

Bossmom
Wellness & Apparel
bossmomnation.com
Aliyah Muhammad
Shah Zareef

Candid Arts
Art Accessories
candidartaccessories.com
Candice Cox

Courtsmith
Sportswear
myancienttreasure.com
courtsmith.com

Esscents of Flowers
Locally-Sourced Flowers
esscentsofflowers.com
Arianna Marbley

GlōGirl Cosmetics
Cosmetics
glogirlcosmetics.com
Tosca Hillman

Gourmonade
Gourmet Beverages
gourmonade.com
Vicktor Stevenson

HOX Uniforms
Custom Sports Uniforms
hoxuniforms.com
Lamont Andrews

Identafire
Graphic Design & Web Dev
identafire.com
Aaron Joseph

Pietisserie
Artisan Pie Maker
pietisserie.com
Jaynelle St. Jean

Piikup
Retail & Food Delivery Service
piikup.com
April Fennal

Run The World
Fashion Label
runtheworldclothing.com
Victor Sandifer

Something Better Foods
Vegan Restaurant/Brand
somethingbetterfoods.com
GW Chew

Strategy Squad
Wealth Management
strategysquad.com
Nicole Middleton

Super Juiced
Artisan Juice Retailer
oaklandisjuiced.com
Emanne Desouky

The Healing Place Apothecary
Natural Skincare Provider
thpapothecary.com
Nubian Flunder

Vegan Mob
Vegan BBQ & Soulfood
sfveganmob.com
Gordon Toriano
Thank You Friends & Family

Funders

FOUNDATIONS
beneficial state bank
Center for Cultural Innovation
LIVING CITIES
Lydia B. Stokes Foundation
resource generation
RSF
SFF
San Francisco Foundation
Sustainable Communities Fund
VERIS

INDIVIDUALS
Patricia Farrar-Rivas
Deborah Frieze
David Lingren
Natalie Shiras
Kate Poole
Naomi Sobel

Partners
Self-Help
UPTIMA

A Special Thank You
Tiffany Brown
Nish Evans
Rodney Foxworth
Lynne Hoey
Brian Jones
Annie McShiras

Deb Nelson
Ade Omitowoju
Bill Stoddard
Aaron Tanaka
Mark Watson
Impact Hub Oakland

therunwayproject.org

PHOTOS
Bethanie Hines Photography

LAYOUT & DESIGN
Idenafire