POWERUP FUND
Powered by HIP
ECONOMIC GROWTH FOR COMMUNITY EMPOWERMENT

Amidst the concurrent health, financial, and systemic racism crises, preserving economic stability is critical to Latinx well-being.

Target: Raise a **$60 million fund**, representing $1 for every Latino in the U.S., to build long-term prosperity.

To advance its vision of long-term Latinx prosperity, HIP launched the PowerUp Fund to provide new sources of capital to Latinx entrepreneurs.

1. HIP’s network across the philanthropic and private sectors can provide access for small Latinx businesses to coaching, mentorship, legal and marketing support—in addition to capital.

2. The crises of COVID-19 and systemic racism pose an unprecedented threat to small Latinx businesses in the U.S., of which only half have a formal banking relationship.

3. PowerUP is deploying an emergency fund to provide critical capital for *Latina-led businesses*, supporting their resilience through the crises.
COVID-19 CAMPAIGN

$10 million in grant capital to provide cash assistance and facilitate small business lending to Latinx entrepreneurs

Over $5 million in emergency grants to nonprofits responding to the COVID-19 crisis

GRANT CAPITAL

CASH ASSISTANCE
- POWERUP FUND $2M
  - SMALL BUSINESSES

LENDING
- POWERUP FUND $8M
  - SMALL BUSINESSES

GRANTS
- EMERGENCY RAPID RESPONSE GRANTS
  - FRONTLINE NON-PROFITS
MECHANICS

HIP has secured $500k of a $2M fund to provide immediate cash assistance to Latina small businesses at risk of closing due to the current crises.

In phase 2, $8M will be raised and deployed to facilitate small business lending to Latinx entrepreneurs.

Phase 3 will match return-seeking investors with Latinx businesses seeking growth capital.

PIPELINE

HIP will rely on on-the-ground community partners in targeted geographies to refer Latina businesses in Phase 1.

HIP will team with nonprofit CDFI lenders to source and service deals in Phase 2.

Latinx and diversity-focused incubators, accelerators, and business networks will provide a pipeline for equity investments in Phase 3.
## HIGH IMPACT CRISIS-RESPONSE PILOT

Grupo Guayacán is focused on fostering and advancing Puerto Rico’s entrepreneurial ecosystem. Following Hurricane Maria, we provided recovery grants through Guayacán to support small businesses at the center of the island’s innovation, job creation and economic activity.

### IMPACT

**6 months after investment**
- **$70,000** in grants
- **15 companies**
- **71 jobs saved**
- **$1.15M+** in sales

### BENEFICIARIES

Partner on the ground: Grupo Guayacán

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**PUERTO RICO**

...following Hurricane Maria

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**Beneficiaries on the ground**
Hispanics in Philanthropy has a 37-year track record of deploying capital, and responding to systemic challenges and emerging crises for outsized impact.

- Created rapid-response Emergency Fund for COVID-19 impacted populations with grant capital being deployed within days for small nonprofits and other critical programs.
- Worked with more than 270 funders on strategic initiatives, donor-advised funds, program management, humanitarian delegations for philanthropic leaders, and much more.
- Partnered with more than 800 grantees at every level from resource and capacity development to crowdfunding to growing and connecting networks.
- Deployed $3 million+ in 2019 alone to more than 200 organizations working to address issues such as forced migration, gender equity, racial equity, disaster relief, and civic engagement.
UNDERLYING INEQUITIES
OUR DEMOGRAPHIC GROWTH...

Wilder, ID

Wilder is 76% Latino with an all-Latinx city council

Today, the Latinx population is 60 MILLION NATIONWIDE... and growing

10 states saw Latinx population grow by 1M+

>1 MILLION SINCE 2000

By 2060, the nation’s 111 million Latinxs will comprise more than 28% of the U.S. population

- U.S. CENSUS BUREAU
...DOES NOT MIRROR OUR OPPORTUNITIES

Although Latinxs are a fast-growing segment of the population, they remain economically marginalized.

- **Median Household Income**
  - White: $68,000
  - Latinx: $50,000

- **Median Household Wealth**
  - White: $147,000
  - Latinx: $6,600

- **Venture Capital Investments**
  - White: 87%
  - Latinx: 1%
INEQUITIES EXACERBATED BY COVID-19

U.S. Latinos are among the hardest hit by pay cuts and/or job losses due to coronavirus

More Latinos than U.S. adults overall say someone in their household has had pay cut or lost a job due to COVID-19

<table>
<thead>
<tr>
<th></th>
<th>Had to take a pay cut</th>
<th>Been laid off or lost job</th>
<th>NET either/both</th>
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<tbody>
<tr>
<td><strong>Latinos</strong></td>
<td>40</td>
<td>29</td>
<td>49</td>
</tr>
<tr>
<td><strong>All U.S.</strong></td>
<td>27</td>
<td>20</td>
<td>33</td>
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Notes: Hispanics are of any race. Share of respondents who didn’t provide an answer not shown.
Source: Survey of U.S. adults conducted March 19-24, 2020
OUR VISION FOR LONG-TERM PROSPERITY
DEPLOYING CAPITAL FOR CHANGE & IMPACT

Leverage philanthropic dollars and private capital to build power and wealth, restore opportunity and spur economic growth for Latinx communities across the U.S.

CAPITAL DEPLOYMENT
Provide risk and discretionary capital to help institutions scale their impact, build their power, and address pressing needs in the Latinx community.

CAPACITY BUILDING
Leverage our resources to help Latinx organizations improve professional skills, expand institutional reach, and increase access to opportunity.

CONVENING POWER
Create high-visibility platforms and events for Latinx leaders and stakeholders to collaborate, advocate, and innovate for change.

WHO WE EMPOWER

1. Underrepresented entrepreneurs committed to Latinx equity and looking for access to ready, reliable capital, and connections.

2. Grassroots Latino nonprofits that are serving our most vulnerable communities.
VALUE PROPOSITION TO OUR PARTNERS

Our stakeholders will find that financing solutions to dismantle the barriers to economic growth in the Latino community is a smart way to leverage capital and advance social justice.

- **Entrepreneurs:** Access to faster and responsible capital for underrepresented entrepreneurs & ventures.
- **Banks:** Grow community enterprises that help meet their Community Reinvestment Act (CRA) & community development objectives.
- **Private Investors:** Investing opportunities that align with Environmental, Social, Governance (ESG) sustainability and societal impact measures.
- **Foundations:** Increase impact and improve outcomes by supporting community enterprises aligned to their mission.
PowerUp Fund Goal: $60M by June 2025

The Fund is seeking partners for three successive phases of deployment:

1) Immediate cash assistance for crisis resilience to small Latina-owned businesses through quick-apply capital grants ranging from $2,500 to $10,000
   Size of Fund: $2M

2) Interest-free loans to Latinx small business owners ranging from $10K to $25K, sourced, funded, and serviced by Latinx CDFIs and Credit Unions
   Size of Fund: $8M

3) Equity investments in Latinx start-ups and innovators from investors seeking double-bottom-line, social and financial returns, while lifting up Latinx investors and professionals to build the field
   Size of Fund: $50M

JOIN US FOR THREE PHASES OF INVESTMENT
The 2017 Stanford University report, “State of Latino Entrepreneurship”, found that only 12% of Latino-owned businesses access bank loans.

PowerUp’s vision supports the ascent of Latinx businesses along the continuum from unbanked to bankable to investable.

1. Latinx small businesses owners often rely on non-traditional sources of credit such as predatory, high-interest payday loans.

2. This is partly because 30% of minority small business owners are denied credit even after controlling for variables such as credit scores, wealth, and revenues.

3. Even during the COVID-19 pandemic, reports have found that stimulus packages continue to preference the privileged and connected – less than 9% of SBA relief is going to entrepreneurs of colors.

4. The PowerUP Fund can help small businesses existing outside of the financial mainstream build a credit history, serving as a bridge to a future stable relationship with traditional banking and other sources of investments.
Ana Marie Argilagos,
President & CEO, HIP
Senior Advisor, Ford Foundation
Former Deputy Chief of Staff & Deputy Assistant Secretary at the U.S. Department of Housing and Urban Development
Senior Program Officer at Annie E Casey Foundation

Nancy Santiago,
Vice President, PowerUp Fund
Chief External Affairs Officer, Opportunity Finance Network
Presidential Appointee, Department of Education & Department of Labor
Founding team member of Ureeka Community business platform and board member for startup accelerator

Ramphis Castro,
PowerUp Fund Director
Scaled programs such as The Founder Institute as a Kauffman Fellow
Managing Director for Founder Institute’s New York Program
Board member for the NYC Innovation Collective

Impact Assets, Fund Administrator
OUR END GOALS

The PowerUp Fund seeks to go beyond supporting and sustaining the economic power of the Latino communities and institutions. We want to:

DEMOCRATIZE ECONOMIC OPPORTUNITY
... by making it more responsive to the needs of America’s fastest-growing demographic

GROW LATINO LEADERSHIP
... by creating a new generation of leaders in the Latino public and private sectors and amplifying their voices

CHANGE THE NARRATIVE
... by coordinating a diverse and dynamic network to channel Latino thought leadership

POWER UP OUR COMMUNITY
... and build on the tremendous economic and political potential of 60 million Latinos in the United States
QUESTIONS?