

IRC'S CENTER FOR ECONOMIC OPPORTUNITY

Annual Report

2021

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center for
economic opportunity

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Introduction

IRC's Center for Economic Opportunity (CEO) is a national, non-profit Community Development Financial Institution (CDFI) Loan Fund and subsidiary of the International Rescue Committee (IRC).

CEO was formed in 2015 to help refugees and other financially excluded communities overcome credit-related barriers to upward mobility. Among these barriers are an over-reliance on credit score by lenders, a lack of accessible small-dollar consumer and business loans, a dearth of affordable used auto finance opportunities and a general lack of understanding of the U.S. system of personal credit. Refugees and immigrants are not the only communities impacted by these barriers; they affect nearly every credit-thin, low-income household in the U.S.

CEO makes small-dollar consumer and business loans primarily to IRC's refugee and immigrant clientele across the U.S. Our loans are coupled with financial inclusion and other related economic empowerment programs offered by our partners. This unique model allows CEO to leverage IRC's linguistic and cultural competence, portfolio of programs, and connection to underserved communities to responsibly reach financially disconnected, diverse households. In addition to IRC, CEO partners with organizations to expand our unique model to populations in most need of credit and with the goal of finding new and innovative approaches to addressing systemic credit barriers faced by all Americans.



By the Numbers

3,023

LOANS MADE SINCE
CEO'S OPENING

95%

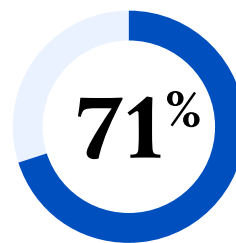
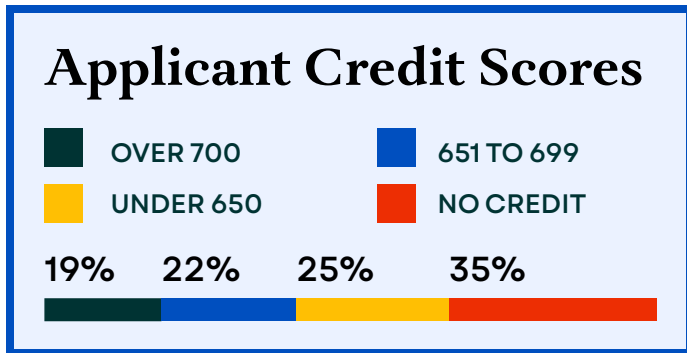
OF BORROWERS ARE LOW
INCOME WITH AN AVERAGE HH
ANNUAL INCOME OF \$28,000

\$1.86M

AMOUNT FINANCED IN
2021, THROUGH 952 LOANS

CEO by Numbers

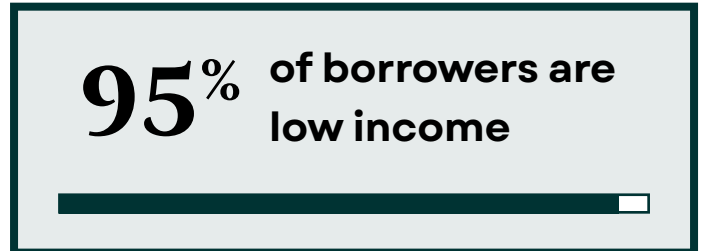
CEO's borrower demographics offer key insights into our unique reach. Borrowers are diverse and are living on thin margins (average monthly income of \$2373 to support average household size of 3.5). They also have limited access to credit 59% had bad or no FICO at application). There are simply a dearth of lenders that work with the types of clients CEO regularly supports. And yet, despite the risks that may be implied by our borrower demographics, CEO maintains a historical **97% repayment rate**.



71% of clients have refugee or asylee status



50% of CEO clients in 2021 were women



95% of borrowers are low income

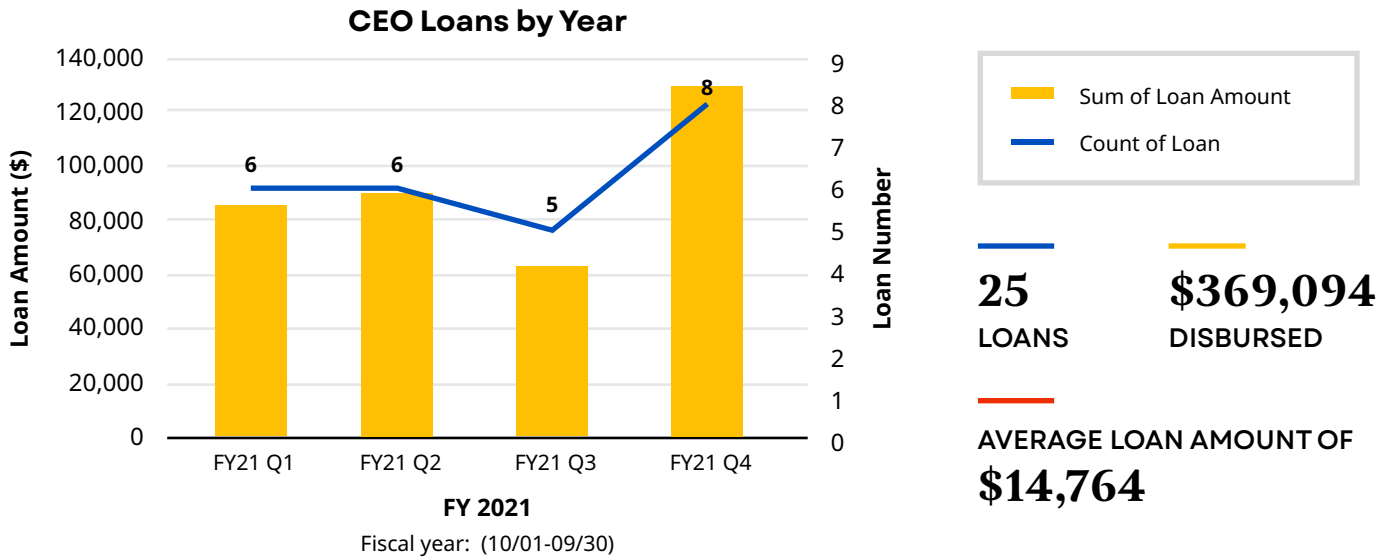
CEO Lending Summary FY 2021

Loan Type	# of Loans	\$ Disbursed
Auto	76	\$965,360
Business	25	\$369,094
Personal	54	\$230,900
Credit Building Ladder	648	\$149,800
Resilience	135	\$92,400
Education & Training	10	\$43,933
Immigration	4	\$10,555
Total	952	\$1,862,042

2020
801 loans for
\$1,805,126
financed

Back to Business

CEO has offered business loans since 2015. In 2021, CEO hired a full-time Microlending Coordinator to assist partner organizations with business counseling, business loan processing, and ongoing technical assistance.



CEO launched the **Business Pivot Grant (BPG)** program in late 2020 thanks to a \$50,000 grant from Western Union Foundation, offering accessible grants of \$1,000 to help small- and micro-enterprises pay for investments to help their businesses survive the pandemic. By the end of February 2021, CEO had not only fully deployed all \$50,000, but raised an additional \$68,000 of funding from various sources to double the grant amounts for most applicants from \$1,000 to \$2,000 while also making nine additional grants.

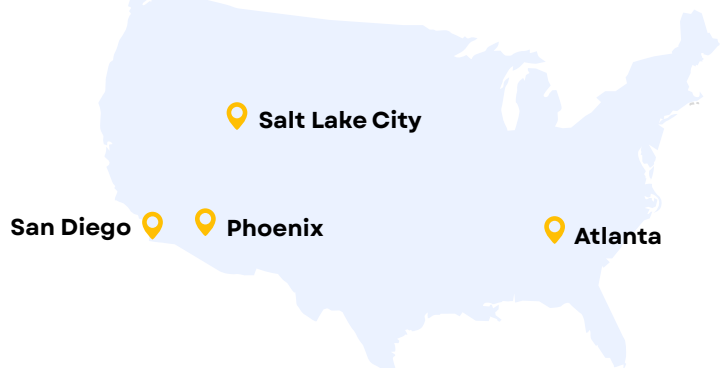
59
BUSINESS
PIVOT GRANTS

\$68,000
FUNDED

54%
OF BUSINESS
OWNERS WERE
WOMEN

24
UNIQUE COUNTRIES
OF ORIGIN, INCLUDING
THE UNITED STATES

Four Locations

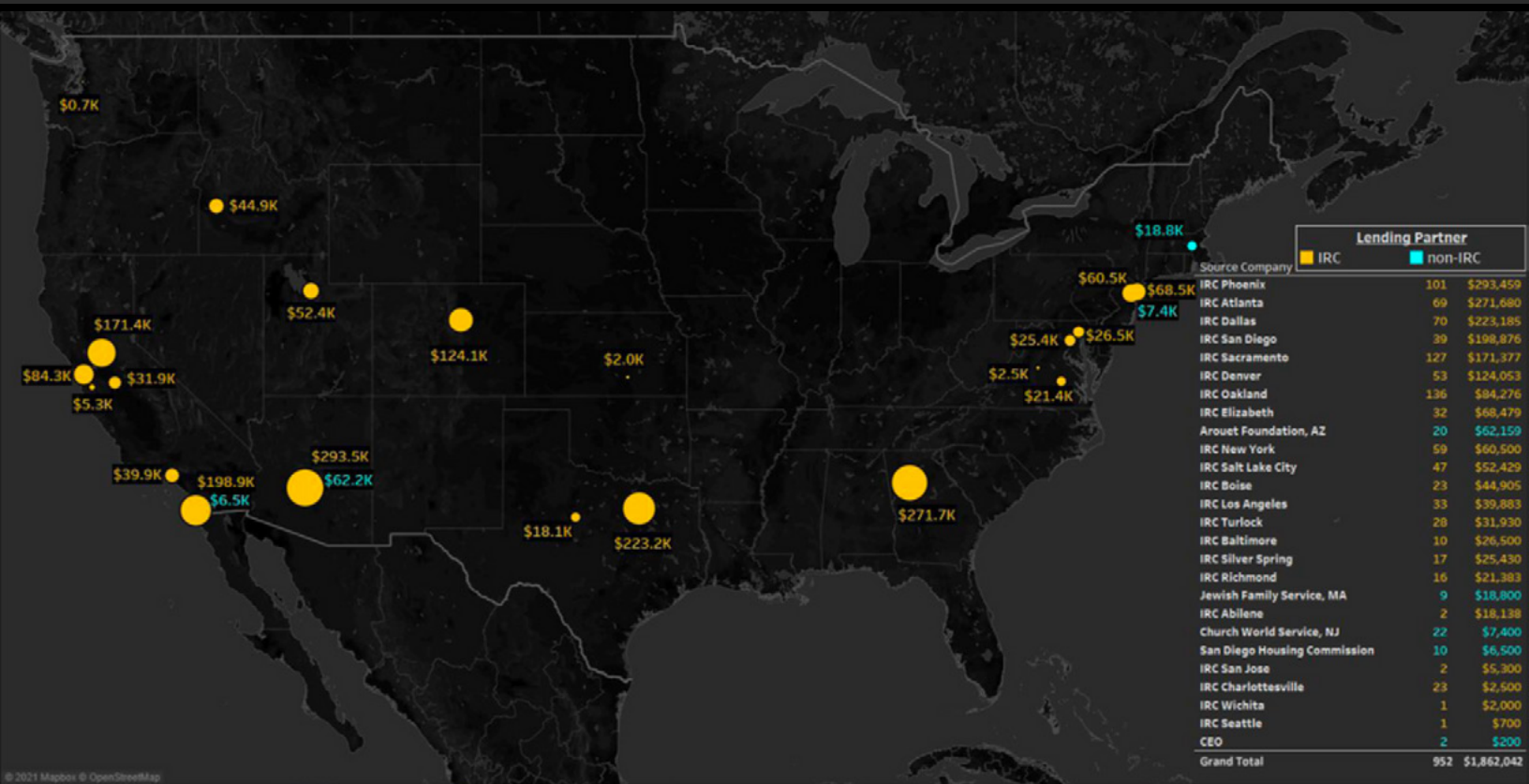
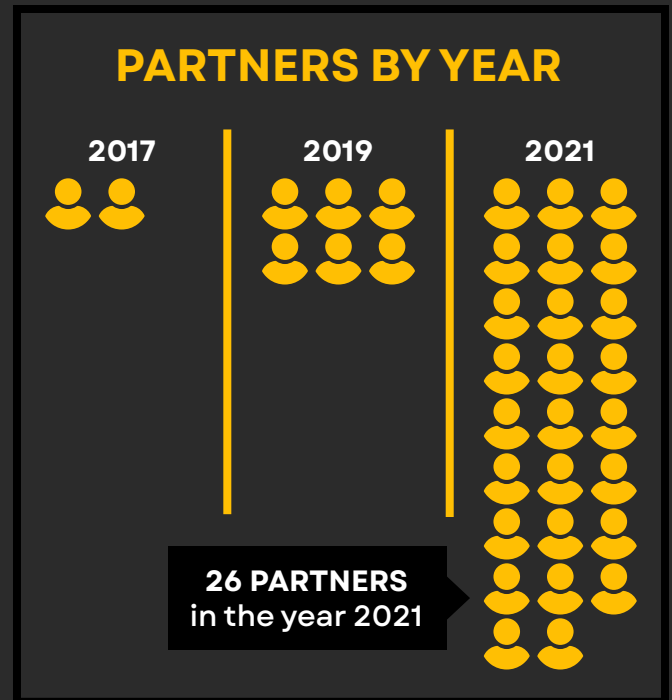


These offices all have microenterprise development programs serving primarily low-income refugee and immigrant clientele and were ideally positioned to serve as the link between BPG resources and BIPOC entrepreneurs.

Expanding our partnerships and our reach

Access to affordable credit is not a unique issue to refugee communities. In fact, the Consumer Financial Protection Bureau estimates that nearly 1 in 10 U.S. adults are credit invisible. CEO has proactively partnered with organizations all over the country to reach populations of people in most need of credit. In 2021, CEO added 3 new community partners, bringing us to a total of 26 partners in 14 states.

We view CEO as having the potential to meaningfully support financially disconnected communities across the U.S. and as we expand, we'll underscore our refugee roots to promote tolerance and inclusion. We will highlight common causes to financial instability faced by all households in the U.S., regardless of how or when they came to this country.



CASE STUDY

Arouet

Arouet

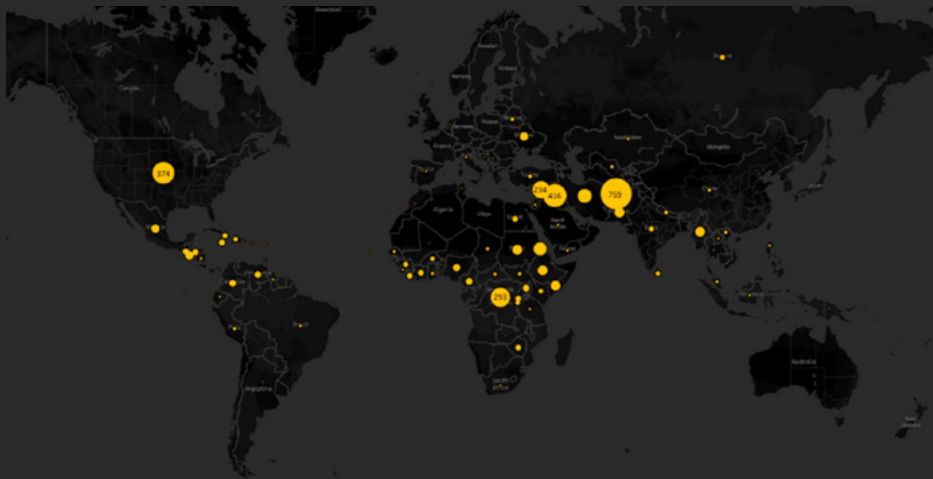
Having just been released from incarceration, Cynthia was reentering with very low credit and difficulty securing employment due to her background. She began working at a meat packaging plant that was located near her halfway house. Utilizing Arouet's employment services, Cynthia found higher paying and more meaningful employment at a behavioral health organization.

But the job was not within walking or transit distance of Cynthia's living space, so she needed a vehicle. She purchased a car with an auto loan from CEO. Before applying for the auto loan, she used a CEO credit builder loan to begin rebuilding her credit, raising her score 80 points in three months. Cynthia continues to struggle with finding affordable housing - she has lived in transitional housing and with roommates but would love to eventually purchase her own home.

REPORT 2021

Clients from around the world

Last year, IRC served over 50,000 unique individuals in the U.S. through a diverse portfolio of programs – not just new arrivals, but those that arrived in prior years, asylum-seekers & other community members. CEO's borrower demographics offer a window into the diversity of clients we are able to reach in partnership with IRC.



CEO served clients from 96 different countries in through 2021. The largest number of CEO clients come from Afghanistan.

Credit invisibility and economic hardship impacts everyone, not just refugees, evident by the number of CEO clients that are native-born American citizens, who live in the communities that we serve.

IRC Financial Capability Programs

CEO's work would not be possible without the Financial Capability Programming of our partners.

CEO's model doesn't work without dedicated financial coaches who work directly with clients, providing financial education and technical support. Coaches see the impact of the CEO's products up close and share valuable insights with us.

3600+

CLIENTS SERVED

30+

FINANCIAL COACHES

4,500+

COACHING SESSIONS



Luke, Los Angeles

CEO credit-building loans are the simplest and most affordable credit-building products available to our clients. Auto loans and refinancing through CEO help rescue clients paying 20+% APR to subpar lenders and empower them to enter the workforce. In LA, still a car-centered city, these offerings are very valuable.

Ruwan, Atlanta



CEO is different from other lenders in many ways; their integrity and commitment to serve clients in the best way possible, low interest rates, strong direct communication and flexibility with clients, and a constant pursuit of excellence to improve systems for clients to have the easiest and most comfortable experience!

Financials

IRC's Center for Economic Opportunity, Inc. Statements of Activities and Changes in Net Assets for the years ended September 30, 2021 and 2020

	2021			2020
	Without donor restrictions	With donor restrictions	Total	
Revenues				
Grants and other contributions (Note 12)	\$ 152,294	\$ 1,080,361	\$ 1,232,655	\$ 1,746,494
Government grants (Note 13)	-	1,200,000	1,200,000	-
Portfolio management services	163,510	-	163,510	203,994
Loan interest and fee income	141,482	-	141,482	108,909
Other Income	28,880	-	28,880	8,061
Total	486,166	2,280,361	2,766,527	2,067,458
Net assets released from restrictions:				
Satisfaction of program restrictions	809,248	(809,248)	-	-
Total Revenues	1,295,414	1,471,113	2,766,527	2,067,458
Expenses				
Programs	1,092,550	-	1,092,550	1,350,191
Supporting services:				
General and administrative	102,786	-	102,786	102,197
Fundraising	28,438	-	28,438	21,664
Total Expenses	1,223,774	-	1,223,774	1,474,052
Changes in Net Assets	71,640	1,471,113	1,524,753	593,406
Net assets at the beginning of Year	1,248,011	2,038,600	3,286,611	2,693,205
Net Assets at the end of the year	\$ 1,319,651	\$ 3,509,713	\$ 4,829,364	\$ 3,286,611

To our Donors

For their financial support and belief in our mission

Thank You!

To our Investors

This year marked the first time CEO took on debt as an agency. We're grateful for the faith you've shown in us and eager to put your investments to good use.

To Frontline Staff

Who have and continue to work tirelessly and through immense challenges to help thousands of families navigate the unprecedented COVID-19 crisis while also wading through it all themselves.