



The Ripple Effect:

One taxpayer dollar

Four compounding effects

Ten years

\$112 in GDP

Accion Opportunity Fund's
macro case study of small
business lending

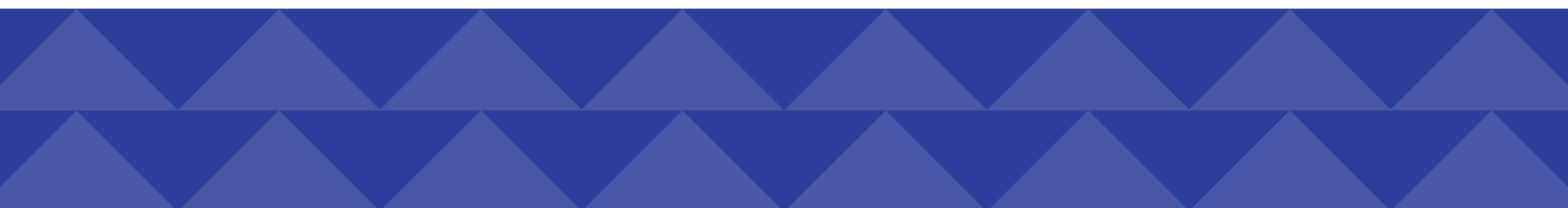
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Fifth Edition

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Table of contents

Foreword.....	3
A message from Luz Urrutia, President & CEO of Accion Opportunity Fund.....	3
A message from Jonathan Perri, Ripple.....	4
Executive summary.....	4
Introduction.....	5
How to read this report.....	6
Author's note: What's new in this edition.....	6
Methodology in brief.....	7
Definitions of terms.....	9
From ripple to wave.....	10
The catalyst effect: From tax dollars to philanthropy.....	11
The leverage effect: From philanthropy to private debt.....	15
The re-lending effect: From private debt to small business loans.....	17
The community ripple effect: From small business loans to new GDP.....	18
National economic impact.....	20
Regional economic impact.....	21
Economic impact across industries.....	25
Looking ahead.....	28
Acknowledgements.....	29
About Accion Opportunity Fund.....	29
About Ripple.....	29
Appendices.....	30
Appendix A: Annual findings by city (Metropolitan Statistical Area).....	30
Appendix B: Detailed methodology.....	31
Appendix C: Additionality, public cost, and outcome measures.....	32
Bibliography.....	33



Foreword

A message from Luz Urrutia,
President & CEO of Accion Opportunity Fund



Our ambition at AOF is to solve the capital access trilemma: to be a mission-driven lender that is at once national in scale and financially sustainable.

No institution has achieved all three — yet.

In 2025, AOF was honored to receive a \$15 million donation from Ripple, the largest ever from a fintech to a CDFI. Ten million of that has been deployed as lending equity to support our loans to small businesses in underserved markets. The remaining \$5 million funds our Digital Leap Forward Accelerator and the impact research and storytelling campaign that includes this case study.

Many stakeholders make AOF's impact possible, and their contributions have evolved over our thirty-year history. That unique combination of diversified support has already kept our organization strong, and points to where we are headed: earned revenue increasingly covering operations, public funds de-risking lending, and philanthropy supporting innovation and anchoring private debt. Studying the role each source of capital played in our macro impact over the last decade has strengthened our resolve and shown how our impact can scale as we move closer to our goal.

We would not be within reach of that ambition without our philanthropic partners, who have been AOF's most important champions through a decade of deep change. Their support has done far more than sustain the everyday work of lending; it has underwritten the reinvention of AOF itself — the technology, the capacity, and the structure that

make a national, sustainable, responsible lender possible. Their role has been indispensable, and a bridge toward a future where our day-to-day operations will no longer depend on this level of outside support. For their conviction and partnership, we are deeply grateful.

The need is urgent. Millions of small business owners — disproportionately in low-income households and distressed communities — still cannot access affordable capital, not for lack of creditworthiness but because mainstream lenders cannot serve smaller, less-collateralized businesses as profitably as larger ones. There's a gap in the market, and a market in the gap. This report is our evidence base: proof that with well-designed credit enhancement programs, taxpayer dollars can attract private capital into that gap and compound it into impact at a scale few other interventions can match. We invite donors, investors, policymakers and taxpayers to examine the data and join us.

Luz Urrutia,
President & CEO, Accion Opportunity Fund



A message from Jonathan Perri, Social Impact Director

When Ripple committed \$15 million to Accion Opportunity Fund, we estimated the donation would generate roughly \$250 million in economic output. That figure was based on the best data available at the time: \$10 million of our donation to anchor a \$50 million lending pool, capital recycling about 2.5 times through small businesses, and approximately \$2 in economic output per dollar lent — an annual figure drawn from prior research that could not yet be extended across a multi-year period.

This fifth edition changes the time horizon. For the first time, AOF and its research partners have analyzed a full decade of philanthropy, debt, and small business loan data with a methodology that traces cumulative macro impact — including how capital recycles through re-lending, how businesses age, and how economic effects change over time.

Deploying \$10 million as permanent lending equity, running through these same effects, Ripple's donation could help generate as much as \$900 million in new GDP over the next decade.

We chose AOF because we believed in the rigor behind the mission — the financial discipline, the data infrastructure, and the commitment to measuring what matters. This report validates that belief with a decade of evidence. Responsible lending to underserved small businesses is one of the highest-returning investments available in the American economy. We are proud to help prove it.

Jonathan Perri,
Ripple

Executive summary

At its core, this is a pro-market story: where mainstream capital leaves a gap, a small amount of well-designed public support lets a CDFI complete the market — drawing private capital in behind creditworthy borrowers it would otherwise miss, and compounding it into broad economic return. Over the past decade, a small amount of taxpayer funding set in motion a powerful chain reaction. Deployed primarily through credit enhancement programs, it made AOF's lending investable, and the value compounded through four effects: it helped catalyze 2.9× private philanthropy, which helped mobilize 2.2× private debt, which was re-lent 3.1× to small businesses, each loan rippling an average 5.7× its value into the local economy — about \$5.68 of GDP per dollar lent¹. The coalition of these four effects meant every \$1 of taxpayer funding was associated with an estimated \$112 in new GDP over the decade — the compounded work of CDFIs, taxpayers, donors, and investors together.

Loans to AOF small businesses ripple far beyond the business itself — putting capital in the hands of the households for whom small business ownership is the primary path to building wealth², as well as their suppliers and employees across the supply chain. Over the past decade, the results have been remarkable. AOF's lending across the U.S. has:

- **Contributed to the retention of 60,000+ small business jobs and creation of 10,000+ more.**
- **Generated an estimated \$5.46 billion in cumulative GDP over ten years**, including approximately \$3 billion in earnings — for our small business owners, their employees, suppliers, and the broader workforce across local economies (see Appendix B for definitions).
- **Helped generate an estimated \$112 in new GDP per \$1 of taxpayer funding³** — including roughly \$61 in earnings—as above, for our small business owners, their employees, suppliers, and the broader workforce across local economies (see Appendix B for definitions).

¹Per-dollar figures are calculated from unrounded totals; dividing the rounded headline figures (for example, \$5.46 billion in GDP by \$960 million in lending) may differ slightly in the final digit.



Introduction

Accion Opportunity Fund (AOF) is the leading community development financial institution (CDFI) dedicated to small businesses, providing responsible loans and financial health education resources to small businesses in low-income and underserved communities for over 30 years.

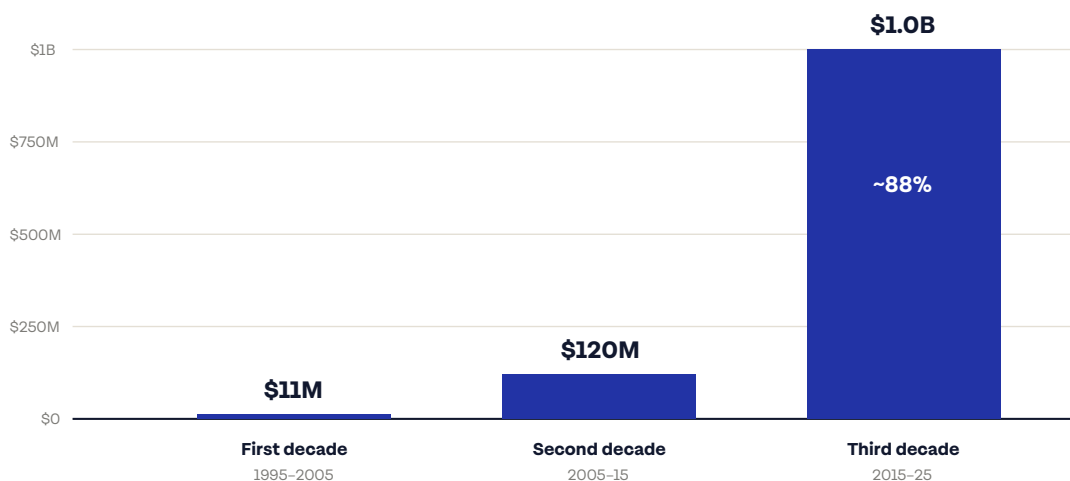


In its third decade, AOF expanded to national scale through unique partnerships, technology, and most significantly through the 2020 merger of Accion US Network and Opportunity Fund Community Development. AOF has now originated over \$1.1 billion in loans across 50 states and Washington, D.C. Alongside this lending growth, AOF has built a robust suite of business resources including one-on-one Business Advising, Group Coaching, in-person

events and webinars, self-paced personalized learning through Learn with AOF, competitive accelerator and grant programs, and an extensive public Business Resource Center. To date, we have provided more than 27,000 small business loans and reached more than 4.5 million small business owners with our free digital learning resources. Approximately 90 percent of our borrowers come from or operate in underserved communities.⁵

AOF lending by decade, 1995–2025

The third decade accounts for roughly 88% of the \$1.1 billion AOF has lent.



Amounts lent by AOF, all products — including COVID-era Paycheck Protection Program (PPP) loans, which are otherwise excluded from this study. Excluding PPP, the third decade (fiscal years 2015–2025) totaled about \$960M. First-decade total is an estimate; pre-2005 figures approximate.

The need for this work is acute. In a 2024 Goldman Sachs survey, 77 percent of small business owners reported concern about their ability to access capital — and among those who applied for loans, nearly 80 percent found it difficult to secure affordable financing. CDFIs like AOF exist to close that gap — not by competing with mainstream lenders, but by completing the market they leave behind.

⁵Brett Theodos and Brady Meixell, How Do Households with Low and Moderate Incomes Build Wealth, and How Can Practitioners Improve These Pathways? (Urban Institute, May 2026), which finds that business ownership contributes most substantially to wealth among working households with low and moderate incomes. ⁶Per taxpayer dollar throughout refers to the \$48.7 million in public funding directed to AOF's lending (see the Catalyst Effect section and Methodology), not all public support AOF has received; funding for non-lending programs is outside this study's scope. ⁷This cumulative number includes Paycheck Protection Program (PPP) loans, which are otherwise excluded from this study, as explained in our methodology. ⁸For purposes of this calculation and throughout this case study, "underserved" communities include businesses that qualified under one or more CDFI Fund Target Market categories during the 2015–2025 measurement period, including businesses operating in qualifying Investment Areas based on the economic distress of their census tract, businesses owned by households qualifying as Low Income, or businesses owned by individuals self-identifying as Black/ African American or Hispanic/Latino. The calculation also includes women-owned businesses as an additional AOF impact measure; women-owned businesses are not a CDFI Fund Target Market category.



How to read this report

Author's note: What's new in this edition

The Fifth Edition of the Ripple Report represents AOF's most comprehensive economic impact analysis to date. The methodological advances in this edition aren't just incremental; they reflect a deeper ambition. At AOF, we have come to see impact measurement and customer experience as two sides of the same question: how does responsible lending actually work best — not just for small businesses, but for their owners, communities and the wider economy?

That commitment is independently affirmed: as of June 30, 2025 — the close of the decade this report covers — the CDFI sector's rating agency, Aeris, awarded AOF its top four-star Impact Management Rating for the exceptional alignment and rigor of its impact practices. This report is designed to show how our model has worked over the last decade, illuminating the critical and efficient roles played by taxpayer dollars in the form of credit enhancement programs and philanthropy in the form of persistent balance sheet equity.

Structured around four compounding effects, which we are labeling catalyst, leverage, re-lending, and community ripple effects, this report traces a market-driven path to solving the small business credit gap. Paved by smart public policy and rigorous impact management, this coalition of CDFIs, taxpayers, donors and investors can solve the trilemma, making small business ownership a reliable path to economic mobility — and generating substantial economic value along the way.

— Nicole Van Der Tuin,
Chief Customer Experience & Impact Officer,
Accion Opportunity Fund

Key updates since the [Fourth Edition](#) include:

- **Nationwide coverage:** AOF now serves small businesses in all 50 states and Washington, D.C.; this edition models lending across the 46 states and Washington, D.C. reached in FY2015–FY2025, up from 5 states in the prior edition.
- **More rigorous economic metric:** New economic value added, the regional equivalent of GDP, is now the primary measure of economic impact, replacing gross output (sales volume). This eliminates double-counting and more accurately reflects AOF's net contribution to local economies.
- **Cumulative modeling approach:** Rather than estimating only annual output, averaged over multiple years, 1-year repeated impact modeling with a decay rate for business survival allows us to better understand the cumulative, multi-year impact of AOF's lending.
- **The journey of a dollar:** For the first time, this edition follows a single dollar through all four compounding effects — the catalyst, leverage, re-lending, and community ripple effects — quantifying the total multiplier of new GDP associated with each dollar of public funding.
- **Metro-level depth:** 25 metro areas (Metropolitan Statistical Areas) modeled individually (or combined where geographically appropriate), providing more granular regional insight beyond the state-level analysis used previously.
- **A decade of impact:** This edition captures a full decade of AOF's lending impact — fiscal years 2015 to 2025 — up from eight years in the previous study.



Methodology in brief

AOF manages its impact outcomes through macro and micro lenses. The macro lens, represented by this Ripple Effect series, traces dollar inputs to economic activity outputs by industry and geography. New to this edition, those inputs include not just small business loans booked, but upstream sources of funding that enable the loans.

Our newer micro lens, which is not included in this report, traces the outcomes of loans and learning per business, owner household, and community across three layers: asset preservation, income, and asset building. It also examines the relationships among outcomes, repayment performance, household-income level, and community economic distress level.

This case study includes the results of detailed economic modeling by TXP to estimate the economic impact of loans made by AOF on earnings, employment, and new economic value added (GDP).

Before estimating GDP, the report derives three upstream effects, or multipliers from AOF's own Audited Financial Statements as well as fundraising, program, and lending data.

The catalyst multiplier captures the ratio of private philanthropy to the taxpayer funding — government grants and credit enhancement programs — that helped de-risk AOF's lending. The leverage multiplier captures the ratio of debt capital mobilized to total philanthropy raised. The relending multiplier captures the ratio of cumulative small business loans to debt capital mobilized, reflecting the cycle of loan repayment, loan sales, and redeployment of capital to new borrowers. And finally, the community-ripple multiplier — modeled by TXP using RIMS II rather than drawn from AOF's books — captures the ratio of estimated GDP to all small business loans. Together these establish how much GDP the chain of effects ultimately helped create per dollar of taxpayer funding originally deployed.

Expressing the combined result per taxpayer dollar is a choice of denominator, not a causal claim: it normalizes the coalition's total modeled impact to the scarcest, first-in input — the public capital that de-risks the chain and helps attract private capital

The same impact could be stated per philanthropic dollar, private debt dollar, or per dollar of total capital. We lead with the taxpayer dollar for three reasons: first, because it is driven by public policy rather than markets, it is accountable to the widest set of stakeholders. Second, the creation of credit enhancement programs has tended to predate the largest inflows of philanthropy and especially debt. And third, despite being the smallest input, its ex-ante halo effect would likely be the most expensive to reproduce, dollar for dollar, holding the other effects and pools of value equal.

These estimates are cumulative over ten years and are not discounted to present value — the standard convention for input-output impact analysis, which measures real economic output rather than a financial return. They are not, however, a simple running total: annual output is stepped down to reflect AOF's observed borrower survival, and less-than-full loan repayment is embedded in the re-lending effect, so both business closures and credit losses reduce the modeled impact.

The analysis of economic impacts from that lending was led by TXP, Inc., an economic analysis and public policy consulting firm, and draws on ten years of AOF lending data spanning 2015 to 2025. To estimate economic impacts, TXP used the Regional Input-Output Modeling System (RIMS II) developed by the U.S. Bureau of Economic Analysis (BEA). Initially developed in the 1970s, this methodology is regularly used nationwide by federal, state, and local governments, civic leaders, businesses, and planners to understand the local economic impacts of their investments. Like all input-output analysis, RIMS II assumes productive capacity is available to meet new demand and applies average industry multipliers; it does not model opportunity cost or displacement, which matters more at the national than the local level.



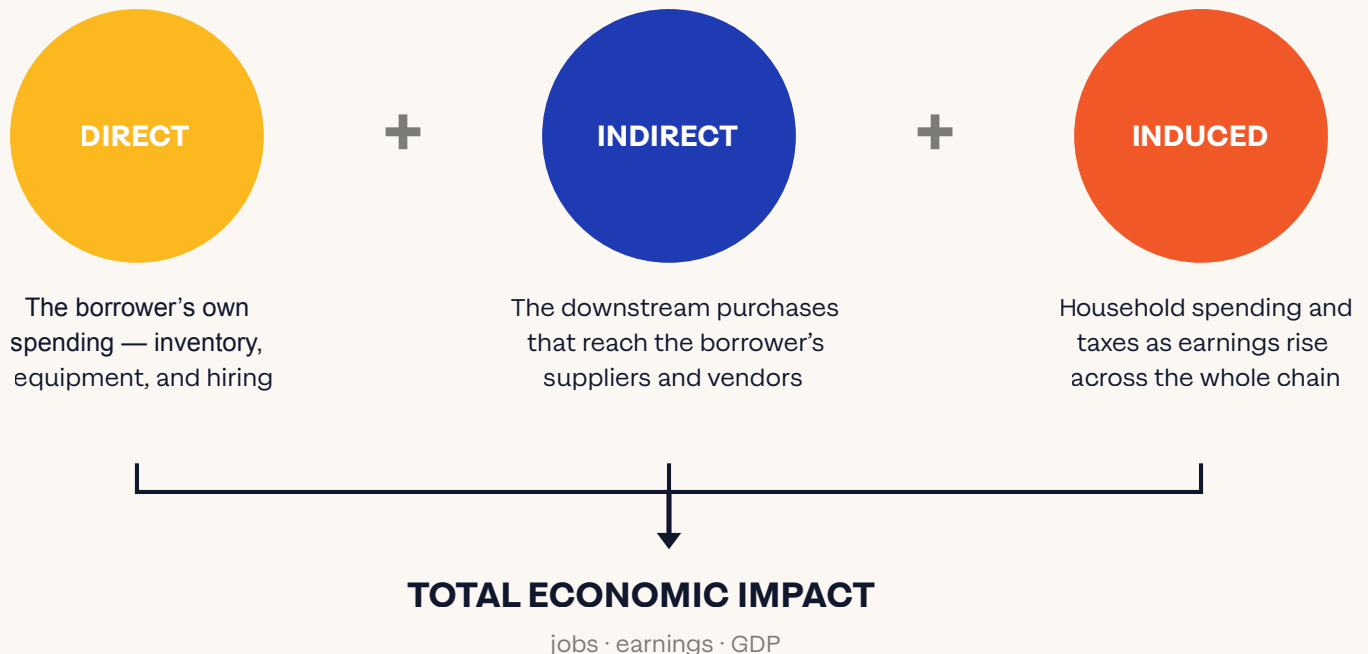
When AOF makes a loan – for example, \$50,000 to a restaurant – that investment moves through the local economy with three types of effects:

- **Direct effects:** The business receiving the loan uses it to purchase goods and services to expand their operations or invest in capital. For example, the restaurant owner might spend part of that \$50,000 to buy new equipment, hire new employees, and purchase ingredients or other inputs to grow their business.
- **Indirect effects:** Vendors and suppliers supporting the business spend part of that increased revenue with their own vendors and suppliers. This activity gradually spreads throughout the economy to the suppliers' suppliers, and so on. For example, the restaurant may spend part of their loan with wholesalers. The wholesalers, in turn, could respond to increased demand and revenue by upgrading equipment and stocking more inventory from their own providers.
- **Induced effects:** Induced effects refer to the economic activity generated when workers whose earnings are affected by the initial loan spend their income in the local economy on groceries, housing, services, and more. This activity generates additional business and tax revenue.

RIMS II aggregates the direct, indirect, and induced effects for a specific area. In this instance, TXP analyzed the effects of AOF lending for the top 25 metropolitan statistical areas (MSAs) by lending volume. State and national estimates are then aggregated from these with small adjustments for loans outside these areas. For additional methodological details, see Appendix B.

Three effects add up to the total

A loan's spending ripples outward as direct, indirect, and induced effects – the components RIMS II measures.



Definitions of terms

Key terms used throughout this report:

- 1. Loans funded:** The total dollar amount of loans disbursed by AOF to small business borrowers.⁶
- 2. Metropolitan Statistical Area (MSA):** A geographic region centered on at least one urban area of 50,000 or more people, unified by strong economic and social ties. MSAs are [defined by the Office of Management and Budget](#) based on official standards and Census Bureau data. This report also uses Consolidated Metropolitan Statistical Areas (CMSAs) where applicable.
- 3. New jobs created:** The estimated number of new full- and part-time jobs generated in a local or state economy. RIMS II does not convert part-time jobs to full-time equivalents. Industries with more part-time workers will have higher employment multipliers as a result.
- 4. New earnings:** Employee compensation plus the net earnings of sole proprietors and partnerships, both those that are direct borrowers as well as the indirect earnings of their suppliers and induced earnings by employees across the supply chain. RIMS II earnings include wages, salaries, and employer contributions for health insurance, but exclude personal contributions to social insurance programs such as Social Security, Medicare, and employee pension plans. Earnings represent approximately 55% of value added (GDP) from AOF's loans over 10 years.
- 5. New economic activity (gross output):** The measure used in prior editions, shown here for contrast. The total gross value of direct, indirect, and induced economic activity produced within a specific geography. Because it sums all transactions across the production chain, it includes intermediate purchases and therefore involves some double counting. This edition instead reports new economic value (GDP), defined below.
- 6. New economic value (GDP):** The net value of direct, indirect, and induced effects within

a specific geography, equivalent to regional GDP. Calculated as gross output minus intermediate inputs, it counts each dollar of economic activity only once. Can be reported annually or cumulatively over a multi-year period.





From ripple to wave

How \$1 of taxpayer funding helped generate
\$112 in GDP over a decade.



From ripple to wave

Taxpayer dollars, philanthropy and private debt allow AOF and its small business borrowers to create a cascading effect on economies that endures and grows over time. The sections that follow trace each of the four compounding effects in turn, beginning with the public funding that sets them in motion.

\$1

CATALYST

2.9x

The catalyst effect: From tax dollars to philanthropy

It all begins with public policy and public funding. Over the decade, roughly \$48.7 million in taxpayer support was the foundation of AOF's lending — the first money allocated, and what made private capital willing to follow, alongside longstanding incentives from the Community Reinvestment Act. Throughout this report, “public funding” and “taxpayer dollars” describe the same capital at different stages — taxpayer dollars at their source, public funding once a government agency deploys them — and this \$48.7 million is predominantly taxpayer-sourced, through the federal State Small Business Credit Initiative (SSBCI) and state appropriations. It came in two forms: \$11.9 million in direct government grants — primarily flexible CDFI Fund Financial Assistance that helped sustain and grow AOF's lending — and risk-sharing through state credit-enhancement programs (also called backstops) — public loss reserves and loan guarantees that absorb part of a lender's risk. This is capital that completes a market rather than competing in one: by de-risking lending the mainstream would not have financed on its own, public funding draws private capital in — it does not crowd out lending that would have happened anyway.

These credit enhancement programs worked in two structurally different ways.

Loss-reserve programs — such as CalCAP, California's Capital Access Program — funded a reserve, matching contributions from participating lenders like AOF and borrowers whose loans they enrolled. These reserves covered losses on enrolled loans and roughly 83 percent of those paid claims were funded with public dollars.

PHILANTHROPY

\$2.86

2.9x per tax dollar



Participation and guarantee funds — such as the California Rebuilding Fund — placed AOF's loans into shared vehicles carrying their own first-loss and guarantee layers. In the Rebuilding Fund, that protection was publicly funded, anchored by California's IBank, and held by the fund manager rather than drawn from AOF's own books.

Both types of programs did the same essential work: they committed in advance to absorbing an important share of the risk of lending to underserved small businesses, making the loan book of participating lenders like AOF fundable by private investors. This halo effect, not the actual claims paid out, was the programs' most important contribution to our impact. That risk-sharing helped AOF raise the private debt capital behind its lending; of the \$960 million lent over the decade, roughly \$683 million — about 71 percent — went to loans that were then enrolled in a credit-enhancement program, where credit policy and program eligibility allowed.

The value of that protection is difficult to quantify in a simple dollar figure, because it lies in the lending made possible rather than in the cash spent. Its most direct measure is the claims the loss-reserve programs actually paid on enrolled loans that defaulted — \$36.8 million, the balance of that \$48.7 million in public support. Even that captures only the loss-reserve form: the guarantee programs leave no claims trail in AOF's books; those losses are absorbed at the fund or guarantor level. Against the loss-reserve-enrolled volume where claims are actually visible — roughly \$621.8 million — those claims come to about 5.9 percent across the full decade of originations. As a cumulative figure spanning ten years, not an annual loss rate, that is modest for lending this deep into an underserved segment — evidence that disciplined underwriting, not the backstop alone, held realized losses low.

A simple counterfactual also helps quantify what that backstop was worth. Because credit losses are an expense that cannot be funded with debt, absent the public backstop, AOF would have had to raise roughly \$37 million in additional grants — dollar for dollar — to absorb the losses it covered and thus preserve the equity base AOF's debt covenants require. That figure is a floor, not a full accounting: the backstop's larger contribution was its full halo

effect, enhancing and helping to enable the majority of AOF's lending plans by making them investable to debt providers in the first place. Grant funding that covered losses after the fact would send no such forward-looking signal, so in practice AOF would likely have needed still more — or been unable to mobilize the same debt at all.

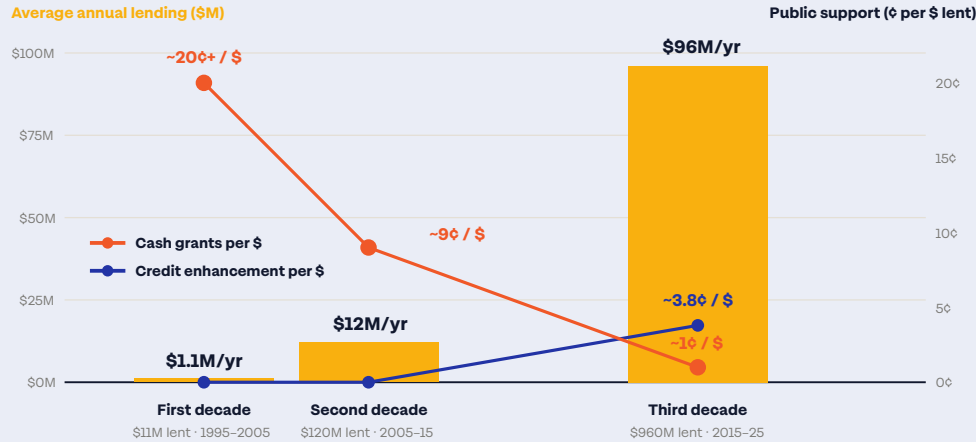
We count that public support as cash actually spent — the \$11.9 million in grants and \$36.8 million in loss-claims the programs paid — not the much larger volume of loans that were enrolled in a guarantee but for which no loss-claims ever needed to be drawn (see Methodology). As with philanthropy, only public funding directed to AOF's lending is counted here. All public funding in this study supported lending. Any public support for technical assistance is both out of scope for this report and would not have been directed toward borrowers. Federal awards to Accion US Network — a technical-assistance provider merged into AOF on March 1, 2020 — are excluded; this analysis covers the Opportunity Fund Community Development lending lineage.

That public support has also grown proportionally smaller as AOF has scaled. AOF's direct federal cash grants — corroborated award by award in the U.S. Treasury CDFI Fund's public database — held roughly flat at about \$8 to \$11 million across AOF's second and third decades, even as annual lending scaled more than eightfold. Grant support per dollar lent fell accordingly — from roughly eight cents in AOF's second decade to about one cent in its third. (AOF's first decade drew only about \$1 million in recorded public grants, though the pre-2005 record is incomplete.) Public support did not so much recede as change character — from cash grants toward loss-absorption standing behind a far larger book of loans.



Public support per dollar lent fell and shifted from grants to credit enhancement

Cash grants per dollar lent fell from about 20¢ to about 1¢, while credit enhancement climbed only to about 4¢.



Each public dollar now supports far more lending — and what remains is mostly credit enhancement, not cash grants.

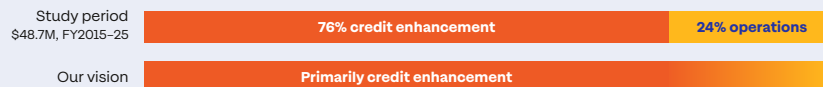
Averaged over each decade. Lending from AOF records; cash grants from IRS filings and CDFI Fund awards; credit enhancement = public CalCAP loss claims paid. Credit enhancement was negligible before the third decade; first-decade grants are a floor (~20¢/\$ or more) given incomplete early records.

The principle is allocative: the more each role is filled by the capital best suited to it, the more impact the coalition produces per dollar. Operations is a commodity cost that any dollar can cover, so its most appropriate source is earned revenue from lending — provided that revenue can scale predictably with the loan book as it does in commercial lending models. Taxpayer and philanthropic dollars, by contrast, are best suited to the higher-multiplier roles — public capital to the credit enhancement that de-risks lending, philanthropy to the catalytic equity that anchors private debt — because each performs these most efficiently and, for the scarce public dollar, the hardest for any other source to replace. Public capital also brings a timing advantage: because programs like SSBCI and the pandemic-era rebuilding funds are created or scaled in downturns, it can expand counter-cyclically — arriving to de-risk lending precisely when private markets pull back and the market gap is widest. A catalytic dollar spent on operations is capacity spent where any dollar would do; as earned revenue increasingly covers operations, it frees those scarcer, harder-to-replace sources to concentrate where they can help generate GDP at the highest multiple.

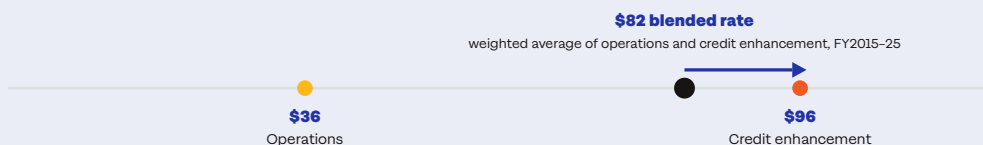
Making the most of taxpayer dollars

Our vision for AOF as a mature CDFI, solving the trilemma: for lending, use taxpayer dollars where they have their highest impact — as credit enhancement programs that attract private capital.

Allocation of taxpayer support



What each taxpayer dollar returns — GDP per \$1



In the study period, 24% of taxpayer dollars went to operations — at \$36 per \$1 — so the blended rate was \$82 per \$1. Concentrating on credit enhancement would lift that rate from \$82 toward \$96.

Illustrative and aspirational; future amounts will differ. GDP per \$1 is the reach per dollar in each role (jointly produced, see methodology), distinct from the \$112 headline.



None of this diminishes the role of public grants; it demonstrates it. Publicly funded grant capital is what lets a CDFI build the scale and balance-sheet strength to eventually stand on its own, and it may do its most catalytic work in the smaller and newer institutions still building toward that point. Many CDFIs also choose to stay deliberately local and deep, serving the hardest-to-reach borrowers with persistent grant support by design — a distinct and equally vital model, not a way station on the road to scale.

AOF's borrowers are generally not passing up more affordable or larger but similarly priced bank loans; they are at a CDFI because mainstream banks cannot serve smaller, less-collateralized businesses as profitably as they serve larger ones. That a borrower accepts CDFI pricing can itself be a signal that a bank loan was not available, which makes this lending largely additional: it primarily expands the affordable capital reaching underserved small businesses rather than substituting for financing

they could have obtained elsewhere (see Methodology).

By the field's own yardsticks, that public role is efficient. Published estimates of CDFI leverage — the private capital mobilized per public dollar — run from about 8-to-1 (U.S. Treasury, 2021) and 12-to-1 (CDFI Coalition, 2025) to 21-to-1 once downstream lending is counted (GAO, 2008). Measured against all \$48.7 million of AOF's public support — a deliberately conservative denominator — that support stood behind roughly \$447 million in private philanthropy and debt (about 9-to-1), and behind the \$960 million in lending it ultimately financed (about 20-to-1). AOF sits within the published range in all three cases. Even adding what economists call the "deadweight loss" of taxation — the extra cost of raising public money, since taxes discourage some work and investment, usually put at 20 to 50 cents per dollar — the public contribution rises only to about \$72 million, still leveraged more than six-to-one by private capital (see Appendix C).

The multiplier on a public dollar, by stage of measurement

Published CDFI leverage estimates stop at private capital or downstream lending. This study measures through to estimated GDP.

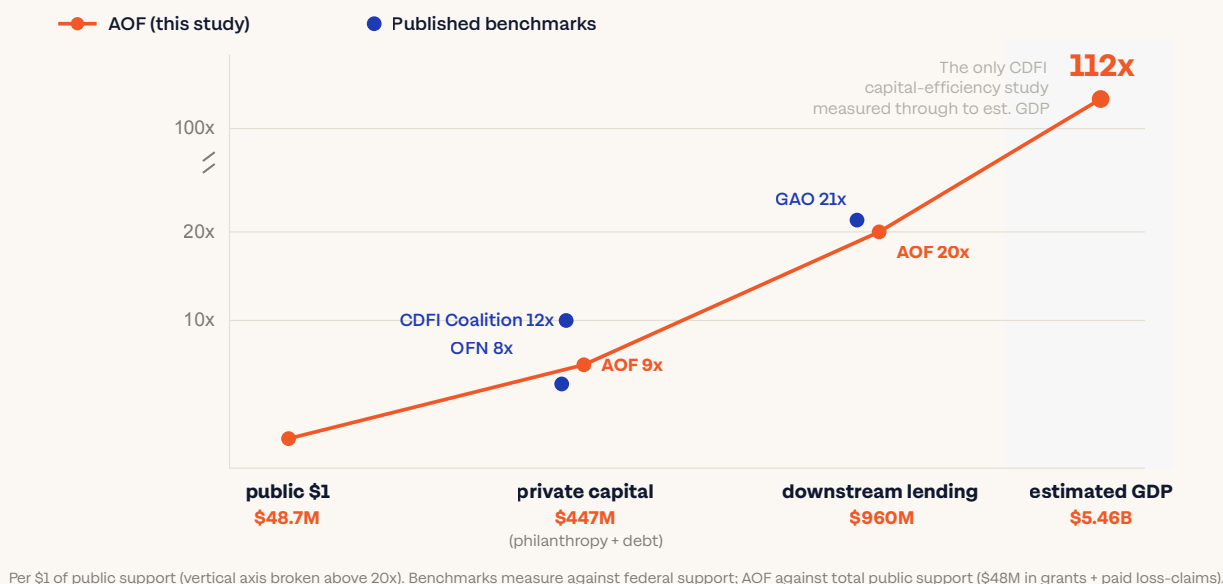


Figure 1. The multiplier on a public dollar, by stage of measurement. To our knowledge, this is the only published CDFI capital-efficiency study to trace the full chain — public funding through private philanthropy and debt, downstream lending, and estimated GDP

Because smart public policy and funding made underserved small-business lending investable, more than 2,826 donor and funder institutions and individuals (collectively “donors”) contributed \$139 million in private philanthropy designated for AOF's lending mission — roughly \$2.86 for every taxpayer dollar — a 2.9× catalyst effect, the first in the chain.

\$1

2.2x LEVERAGE

The leverage effect: From philanthropy to private debt

That equity reserve unlocks the second compounding effect: leverage. Because taxpayer funding and philanthropy made AOF a viable investment, impact investors and banks provided debt capital at below-market rates. Over the decade, AOF built roughly \$51 million in balance-sheet equity, keeping its net assets above the 20 percent net-asset-ratio floor its debt covenants require. That reserve anchored \$307 million in debt capital mobilized from 43 investors — about 2.2 times the philanthropy raised, measured against all \$139 million of philanthropy raised for lending, not the \$51 million held as equity alone. For every dollar of taxpayer funding, AOF ultimately mobilized \$6.30 in debt capital available for lending.

Of that \$307 million, \$191.3 million came through three committed term instruments — Term Notes (\$112.1 million), EQ2 subordinated debt (\$52.6 million), and Impact Notes (\$26.6 million) — from 43 investors at an average commitment of roughly \$4.4 million, and approximately \$116 million more through cumulative draws on revolving lines of credit, all counted here as capital mobilized for small business lending. This coalition's willingness to accept below-market financial returns alongside the impact returns is what makes the compounding cycle possible: without patient debt capital sitting between equity and the borrower, repayments cannot recycle and the multiplier breaks.

PRIVATE DEBT

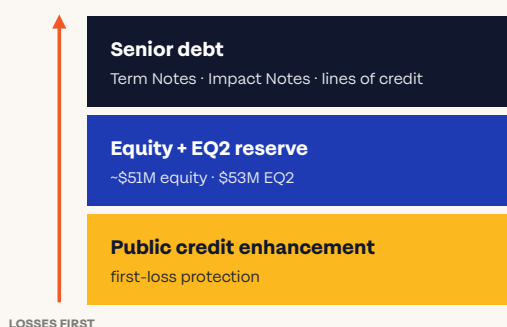
\$6.30

2.2x per tax dollar

Mission capital: a lower price, a higher bar

Investors take a protected position and accept below-market returns — and, unlike ordinary capital, require proof of reach.

WHAT AOF OFFERS — A PROTECTED POSITION



WHAT THEY REQUIRE IN RETURN

- ✓ **Documented reach into CDFI Target Markets**
Investment Areas · low-income and underserved borrowers
- ✓ **Lending in specific underserved geographies**
tracked and reported by place
- ✓ **CDFI certification and ongoing impact reporting**
accountability ordinary capital never asks for

The price of meeting that bar: a ~2.8% weighted-average cost of debt — some capital at 0%.

Near the ~2.9% CDFI median (Aeris) and well below market — earned by proving reach, not by lowering the bar.



That equity reserve is philanthropy’s highest-leverage use for our lending — but it is not where most philanthropy has gone. Over the study period, roughly two-thirds of the philanthropy AOF raised funded operations, and about a third built the equity reserves that anchor private debt. That balance was the right one for an institution still building its lending engine. Once AOF reaches maturity, when earned revenue covers the cost of operations, we’d deploy philanthropic grants for lending as loss-absorbing equity that unlocks private capital and thus greater scale, raising what each of those dollars can ultimately deliver. The chart below shows that shift: the same dollars, moved to where they do the most.⁸

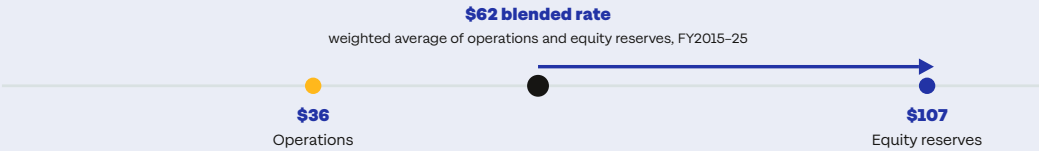
Making the most of philanthropy

Our vision for AOF as a mature CDFI, solving the trilemma: for lending, use philanthropy where it has its highest impact — as equity reserves that anchor private debt.

Allocation of philanthropy



What each philanthropic dollar returns — GDP per \$1



In the study period, 63% of philanthropy went to operations — at \$36 per \$1 — so the blended rate was \$62 per \$1. Concentrating on equity reserves would lift that rate from \$62 toward \$107.

Illustrative and aspirational; future amounts will differ. GDP per \$1 is the reach per dollar in each role (jointly produced, see methodology), distinct from the \$112 headline.



⁸The scope of this case study covers lending philanthropy only; philanthropy for business advising and education, research, and other purposes is treated separately (see Methodology).

\$1

3.1x RE-LENDING

The re-lending effect: From private debt to small business loans

The third compounding effect is re-lending. AOF lends its debt capital to small businesses that are ready to grow — approximately 90 percent of whom come from or operate in underserved communities. Our responsible lending approach and support services contribute to high rates of business survival: 96 percent of borrowers are still operating two years after their loan. As borrowers repay — and as some loans and loan participations are sold to replenish liquidity — the principal flows back into the lending pool and is re-lent to the next business. Over a decade, this cycle multiplied the \$307 million in debt capital roughly 3.1 times, producing \$960 million in cumulative lending — about \$20 for every taxpayer dollar. In total, over the decade AOF's lending reached nearly 20,000 small businesses nationwide — and the compounding accelerated each year, as repayments from earlier cohorts added to the capital available for new lending.

These survival and job-retention figures describe the portfolio AOF builds, not a controlled experiment — they reflect AOF efforts to select and support viable, underserved businesses rather than a treatment effect measured against comparable non-borrowers (see Methodology).

*Aspen Institute Business Ownership Initiative, EntrepreneurTracker Survey, 2024. Data available at microtracker.org.

SMALL BUSINESS LOANS

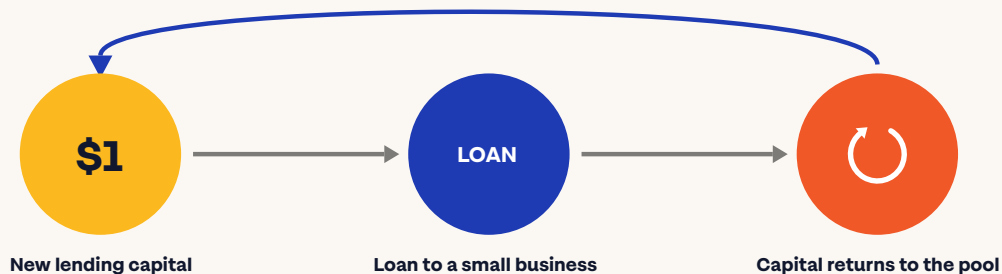
\$20

3.1x per tax dollar

How one dollar recycles into more lending

Repaid, sold, or redrawn — the same capital funds one business after another.

Re-lent to the next business — about 3.1x over the decade



Capital comes back three ways: borrower repayment · loan & participation sales · revolving credit lines

The result: ~\$960 million in cumulative lending from a far smaller pool of capital.

In FY2025 alone, AOF sold participations in 595 loans (\$31M) — at a premium, while keeping servicing — freeing capital to lend again. (AFS)





\$1

5.7x COMMUNITY RIPPLE

NEW GDP

\$112

5.7x per tax dollar

The community ripple effect: From small business loans to new GDP

The fourth compounding effect is the community ripple that adds value, or GDP. When a small business owner receives and spends their loan principal, the dollars ripple outward through the local economy along the direct, indirect, and induced channels RIMS II measures (defined in Methodology in brief): the borrower invests in their business — a delivery vehicle, inventory, a first employee; their suppliers' revenue and payrolls grow in turn; and as earnings rise across the chain, household spending and tax revenues increase, reinforcing the cycle. Small businesses spend roughly 48 cents of every revenue dollar locally, compared to about 14 cents for large chains,¹⁰ and those in economically distressed communities are especially likely to hire from their own neighborhoods.¹¹

These local recirculation and hiring effects are distinctive to small business and underserved markets and are not fully captured by the RIMS II multipliers used in this study — meaning the GDP estimates in this report may understate the true local economic impact of AOF's lending. And because these are neighborhood businesses, the effect compounds close to home — in the local character and vitality that small business uniquely creates.

Each dollar lent to an AOF borrower generated an estimated \$5.68 in cumulative value-added GDP over the study period — a 5.7x community-ripple effect that grew steadily, from roughly \$1.07 per dollar lent in the first year to \$5.68 by the tenth, as earlier cohorts' businesses matured and continued contributing to their local economies.

Taken together, the four compounding effects are multiplicative. Each dollar of taxpayer funding catalyzed \$2.86 in philanthropy, which anchored \$6.30 in debt capital, which through re-lending

helped produce \$20 in cumulative loans, each of which helped generate \$5.68 in cumulative value-added GDP — yielding an estimated \$112 in new GDP for every taxpayer dollar. Cumulatively, \$960 million in lending helped generate an estimated \$5.46 billion in GDP, with approximately \$3 billion flowing as earnings to AOF borrowers, their employees, and the owners and workers of businesses throughout their supply chains. Each link depends on the one before it; none works alone.

¹⁰Civic Economics, Local Works! Examining the Impact of Local Business on the West Michigan Economy, 2008.
¹¹CIC and JPMorgan Chase, The Big Impact of Small Businesses on Urban Job Creation, 2016.



The Ripple Effect of a Small Business Loan



A loan is made to a caterer.



The caterer buys a van, ingredients, and supplies – and hires staff.



Their suppliers – makers, wholesalers, farmers – grow and hire too.



Their workers spend and pay taxes across the community.



The local economy prospers.

\$1

5.7x · COMMUNITY-RIPPLE EFFECT

\$5.68

Every \$1 lent to a small business generates about \$5.68 in new GDP across the wider economy.



National economic impact

AOF is one of the nation's leading nonprofit small business lenders, serving small businesses in all 50 states and Washington, D.C. This study models AOF's FY2015–FY2025 lending across the 46 states and Washington, D.C. where those loans were originated — a national footprint that lets us estimate the impact of our lending to the United States as a whole.¹² AOF lending has led to substantial increases in employment and wage growth across the country. In total, AOF's lending between 2015 and 2025 is estimated to have led to the creation of **more than 10,000 new jobs and \$564 million in new annual earnings across small businesses and their staff, suppliers, and the broader workforce experiencing the ripple effect of AOF loans.**

Furthermore, our lending has driven measurable GDP growth at the national level: today, annual national GDP is estimated to be more than \$1 billion greater than it would have been without AOF's lending. These national figures are the least conservative in the report; the model does not net out activity that might have occurred elsewhere. Our local and regional estimates, where additionality is strongest, are the firmer ground.

Critically, this GDP isn't abstract. Approximately 55 percent of the value added — roughly \$61 per dollar of taxpayer funding — was earned in the form of wages, salaries, benefits and net income by our small business owners, their employees, suppliers, and the broader workforce across local economies. Cumulatively, an estimated \$3 billion of the \$5.46 billion in GDP generated over the decade flowed as earnings to the households and workers experiencing the ripple effect of AOF loans.

The businesses AOF serves sit at the heart of the American economy — employing [nearly half of all private sector workers, generating more than 40% of GDP, and accounting for 60% of net new jobs](#) created over the past three decades according to the Small Business Administration. By investing in these small business owners, AOF is fueling the engine of American economic growth from the ground up.

¹²TXP estimates national impacts by aggregating the impacts for the 25 largest MSAs. Lending to these areas makes up the majority of AOF's overall lending over the past 10 years. We make minor adjustments for loans made in other areas.

[Recent national research from the Urban Institute](#) confirms why investing in small businesses owned by low-income households has an outsized impact. Working households with low and moderate incomes have a median net worth of just \$33,300, and among those who own businesses, business equity is the single most substantial contributor to their wealth (Theodos and Meixell, 2026). Seventy-one percent of AOF borrowers funded during this ten-year period of study came from low-income households.⁹ Their average adjusted gross income was \$31,000 and their average small business loan size was \$36,000 — 120 percent of average household income. These loans shape owner household financial trajectories through two channels: the income a business generates for its owner, and the equity value the business itself represents on the household balance sheet.

These figures take on added weight for employee households and supply chains as well, given where the dollars land. More than 90% of AOF's borrowers are underserved — including business owners from low-income households and demographic groups with more limited access to capital and/or enterprises operating in economically distressed communities. Studies by the ICIC and JPMorgan Chase and the SBA Office of Advocacy further demonstrate that many businesses in distressed communities are more likely to hire locally, channeling wages back into neighborhoods with the greatest need.



Regional economic impact

As AOF has grown, so has the variety of the communities we serve. Our lending began through Lenders for Community Development in 1995 and has since expanded to serve customers in nearly every state. States receiving the most AOF lending over the past ten years include Florida, Indiana, New York, and Texas (see Table 1, detailed tables by MSA available in the appendix). Other states such as Georgia, Illinois, and Pennsylvania also received notable amounts of funding in the past 10 years, although we measure only impacts on specific MSAs there.

In more than 55 cities, AOF has lent at least \$1 million collectively to local small businesses and has made at least one loan in another 380 cities. This broad geographic coverage provides enormous opportunity for lending to ripple through the local and regional economies.



Table 1. Total Lending in Top Five States, and Estimated Annual Economic Impact

State	\$ Lent by Accion Opportunity Fund	Annual Earnings Generated	Annual Employment Generated	Annual New Economic Value Generated
California	\$717,860,072	\$448,362,783	7,830	\$811,020,907
Florida	\$25,365,551	\$20,282,037	436	\$37,440,067
Indiana	\$21,435,194	\$14,559,256	267	\$27,388,288
New York	\$37,960,147	\$22,461,102	404	\$41,787,199
Texas	\$21,389,155	\$18,111,578	365	\$32,555,158

¹²The Urban Institute defines low and moderate income as household income below the national median of \$83,730. AOF classifies borrower income using CDFI Fund criteria, which apply stricter, area-adjusted thresholds. AOF's low-income borrowers would fall within the Urban Institute's broader LMI definition.¹³Loans are aggregated for all businesses within an MSA receiving a loan. Given that some MSAs cross borders, these figures may be slightly inflated by capturing loans in another state that impact an MSA that is also part of the states listed here.

Quality Wet Paint

New York, NY

Quality Wet Paint is a paint business based in the Bronx. Its owners have turned to AOF several times, both for Business Advising and Education programs and for a loan in 2025. Their story highlights how AOF lending can enable businesses to pursue ambitious new opportunities.



Dr. Bernardo Flores spent 25 years as a special education teacher in the Bronx. With a PhD in special education and school leadership, his career was dedicated to helping students overcome challenges. But in 2019, a new opportunity emerged when one of Bernardo's friends, skilled in painting but unfamiliar with running a business, received a project to refresh 94 off-campus dorms at Cornell University. The original contractor estimated one kitchen per week. Bernardo and his newly formed team delivered four.

Within two days of securing that initial job, Bernardo and his two business partners launched Quality Wet Paint. Each partner brought a unique strength: Bernardo led operations and strategy, while the others had the painting expertise to ensure top-quality execution.

Quality Wet Paint grew steadily, securing contracts with city and state agencies, with their largest project generating \$350,000 in revenue to date. Today, the business is on track to gross between \$1.5 and \$2 million in annual revenue.

But growth came with new challenges. When a major contract required upfront payroll costs he couldn't immediately cover, Bernardo turned to financing. After a mainstream lender said no, he pursued alternative financing options.

Bernardo had already taken a few AOF webinars and was familiar with our free educational resources. He applied for a loan and received a \$41,400 loan within the week.

The funds went straight to payroll, allowing him to launch the project on time. The company regularly employs 8–12 workers and depending on project needs, scales up to 30, all of whom are paid at least \$5 above New York City's minimum wage and provided with training, regardless of experience.

Bernardo's journey mirrors his teaching days: offering guidance, opening doors, and celebrating others' success. "When I was teaching, I got the gift of seeing kids learn and grow, but I wasn't generating work. Now I'm generating work, and that's very powerful," he explains.

"Quality Wet Paint is creating opportunities for employees so that they can pay rent, buy food for their families, and even buy ice cream for their children."

Loan amount:

\$41,400

Taxpayer funding behind this loan*:

\$2,100

Estimated 10-year GDP generated*:

\$235,000

*Illustrative based on national averages in this report, including average taxpayer funding behind a loan of this size and average estimated GDP generated over 10 years by a loan of this size.





Quality Wet Paint

New York, NY

The story of Quality Wet Paint's loan has played out many times in New York City since AOF made its first loans there in 2017. With an average loan of \$50,000, an AOF-funded small business generates about \$283,000 in new economic value over a ten-year span. AOF has made a total of 764 loans in New York City, for a combined \$38 million in lending. The loans have contributed to an estimated 404 new jobs and \$22.4 million in annual earnings in the New York Metro Area.¹⁵

¹⁵State- and metropolitan-level figures are modeled with region-specific RIMS II multipliers, so the same lending yields slightly different estimates at the two geographic levels.

Woodfire Pies

Los Angeles, CA

Woodfire Pies is a mobile food vendor located in Monterey Park, CA, east of Los Angeles. Their story shows how AOF lending can help small businesses invest in new infrastructure and can provide extra support to help deal with unexpected emergencies.



When Luismiguel Flores first began experimenting with wood-fired pizza, it was just a few pop-ups — a way to share his food with friends, family, and neighbors. The response was immediate: people loved the flavor, the craft, and the sense of community his cooking created. To take his pizza from hobby to business, Luismiguel turned to AOF for capital and support. AOF financed a custom mobile trailer with a 4,000-pound Italian wood-fire oven that became the heart and soul of Woodfire Pies.

From the beginning, Luismiguel's community rallied behind him. During the pandemic, local families and neighbors kept orders coming in, helping keep Woodfire Pies alive. When the California wildfires displaced so many regular customers, orders came to a halt. AOF acted quickly to reach out to impacted customers and provided Luismiguel with payment deferral so he could continue paying his staff during this critical time.

Looking ahead, Luismiguel dreams of expanding into both a brick-and-mortar restaurant and a retrofitted food truck. No matter how Woodfire Pies grows, he wants to stay connected to the neighborhood that believed in him first. For him, Woodfire Pies is about more than pizza. It's about warmth — the literal warmth of the oven that gives his food its unmistakable flavor,

and the warmth people feel when they gather to share it.

Loan amount:

\$117,000

Taxpayer funding behind this loan*:

\$5,900

Estimated 10-year GDP generated*:

\$662,000



*Illustrative based on national averages in this report, including average taxpayer funding behind a loan of this size and average estimated GDP generated over 10 years by a loan of this size.

Economic impact across industries

AOF lends to a diverse set of industries with varying capital needs and constraints – everything from construction companies to restaurant owners to hairdressers. In total, AOF has lent to more than 680 different types of businesses across more than 20 sectors in the past 10 years, with the greatest concentration in transportation, food service, retail, and professional services.

Business owners in different industries create jobs, increase wages, and contribute to the economic vitality of their community in different ways. Because a loan to a business in one industry generates activity across its entire supply chain, Table 2 shows the industries where AOF's lending ultimately generates the most economic activity – not the industries of the borrowers themselves. Transportation and Warehousing captures the largest share as a common input to many other industries.

Table 2. National Annual Economic Impact by Industry / Business Sector (where community ripple activity is realized)

Business Sector	New Jobs Created	New Annual Earnings	New Annual Value Added (GDP)
Transportation & Warehousing	3,621	\$220,735,684	\$364,479,244
Food Services & Accommodations	1,216	\$38,690,395	\$64,729,210
Professional, scientific, & technical services	458	\$42,065,949	\$60,323,187
Retail	853	\$33,340,004	\$70,143,207
Other Sectors	3,921	\$229,211,176	\$463,639,464
TOTAL	10,069	\$564,043,209	\$1,023,314,313

Apollo Office Systems

Houston, TX

Apollo Office Systems is an office equipment and IT services business located near Houston. Financing from AOF allowed them to invest in training and certifications for their staff to provide additional support to their clients. Their story highlights how AOF's lending empowered them to transform their business to pursue shifting trends in their industry.



Drawing on her experience in office automation, Pam Foley started Apollo over 20 years ago with a card table and a cell phone. From the beginning, Apollo grew through trust, referrals, and deep personal connection. In 2013, Pam's husband, Jeff Foley, joined full time.

When COVID-19 closed offices in 2020, Apollo experienced immediate and severe losses. "We lost \$50,000 to \$60,000 in revenue that first month." Around them, other IT dealerships and services firms collapsed or sold to large conglomerates, triggering mass layoffs and eliminating local service relationships. Pam and Jeff refused acquisition offers, choosing to double down on digital expertise. Funding from Accion Opportunity Fund arrived at a critical moment. "The AOF loan was a life preserver for us," Jeff says. "It really, really helped keep us in business."

The capital addressed Apollo's most pressing constraint: the inability to invest deeply in people and technology while competing against much larger firms. Rather than chasing short-term fixes, Apollo used AOF funding to build long-term capacity.

The loan supported:

- Hundreds of hours of formal training in AI, orchestration, and robotic process automation
- Professional certifications costing \$5,000–\$10,000 per employee
- The hiring of additional full-time staff, including a local software engineer
- Providing full employee benefits, including health, disability, and life insurance

Today, artificial intelligence is woven throughout Apollo's operations. AI-powered agents monitor customer networks, printers, and devices around the clock — often detecting and resolving issues before customers realize something is wrong. Three staff members are trained in robotic process automation and AI engineering, capabilities that Jeff believes are rare among small dealerships

Despite the advanced technology, Apollo's growth still hinges on relationships — something Pam has always prioritized. Apollo's largest customers are almost always its longest-standing ones, often doing 10, 20, or even 50 times more business than when the relationship began.

Digitization has also unlocked new forms of community impact. With AI reducing the cost-of-service delivery, Apollo can now provide in-kind IT support to nonprofits, churches, seniors, and community organizations that could never afford \$500 per month for managed services. Jeff estimates this model could soon generate tens — or even hundreds — of thousands of dollars annually in community support.

Today, Apollo employs 10 people, all in the Houston area. Roughly half the team is under 30, drawn



to meaningful work, cutting-edge training, and a company where they can see their impact firsthand. Apollo plans to hire additional staff in AI engineering and business development.

Loan amount:

\$178,000

Estimated taxpayer funding behind this loan*:

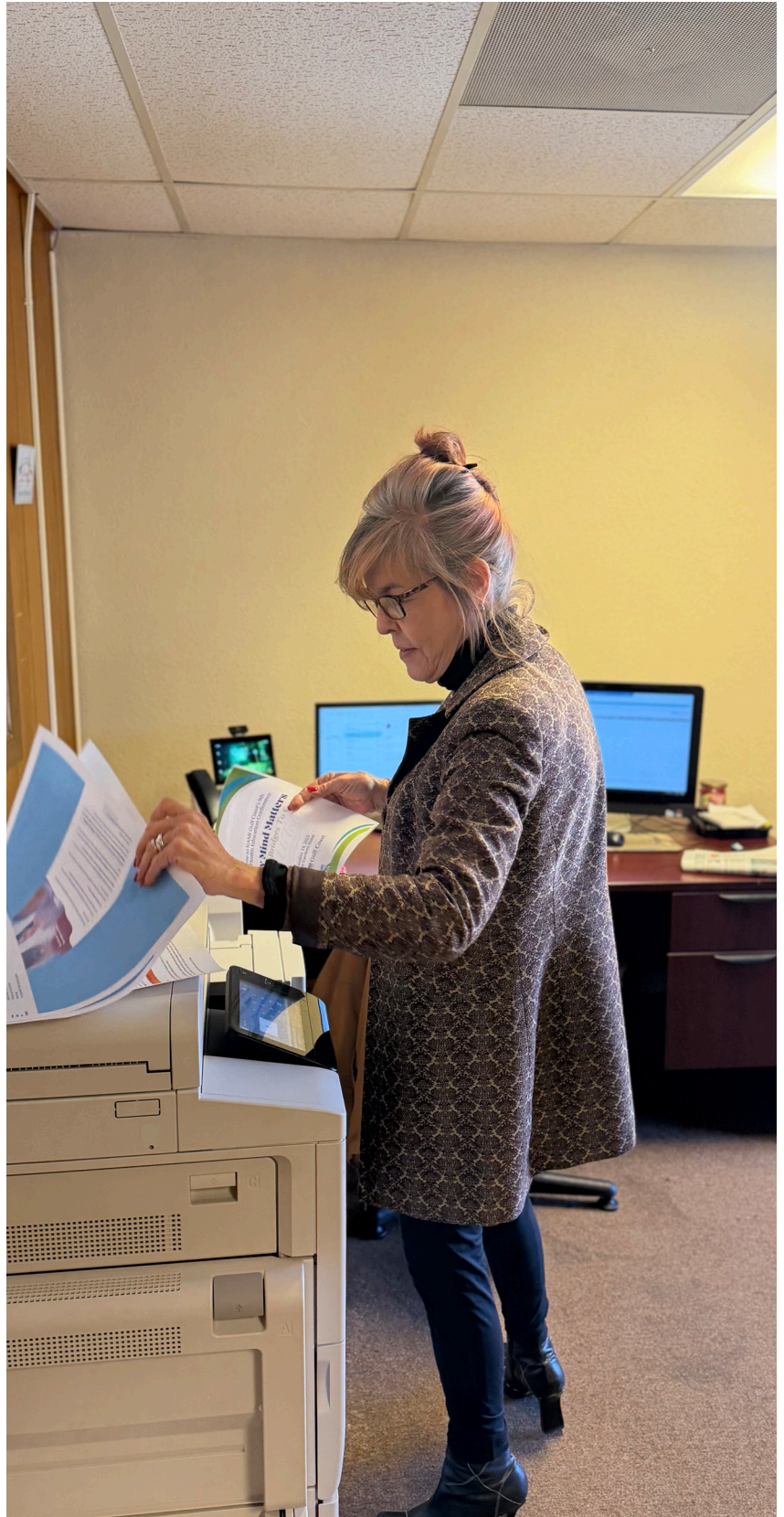
\$8,900

Estimated 10-year GDP generated*:

\$1,011,000

Apollo's story also highlights AOF's growing role as a lender in Texas and specifically in the Houston metro area. AOF first lent to small businesses in Houston in 2017. The average loan there is about \$30,000 and individually adds about \$170,000 in cumulative new economic value over ten years. These impacts continue each year into the future as the business continues to operate and grow based on the original investments that the loan enabled.

Through every phase of growth, Apollo has chosen reinvestment over extraction. "When we're gone," Jeff reflects, "our employees will be better off for having worked here."



*Illustrative based on national averages in this report, including average taxpayer funding behind a loan of this size and average estimated GDP generated over 10 years by a loan of this size.

Looking ahead

In the last 10 years, AOF's lending has created significant impact, generating an estimated \$5.46 billion in new GDP — including approximately \$3 billion in earnings for workers and business owners throughout supply chains affected by our small business loans. Per dollar of taxpayer funding, this process helped generate an estimated \$112 in cumulative new GDP over ten years.

Yet the gap remains wide. Millions of small business owners — disproportionately in low-income households and economically distressed communities — still cannot access the affordable financing they need to sustain or scale a business. AOF is positioned to close that gap: by expanding lending, deepening support services, and proving a judicious public dollar can attract private capital to produce outsized, lasting economic returns.

Like the vast majority of CDFI loan funds, AOF does not yet cover the full cost of its lending from earned revenue; by design, it prices loans for its borrowers' success, not to maximize margin. Contributed capital closes the gap. That reliance is the norm across mission lending — and it makes access to philanthropy a central limit on how far responsible lending can scale (Aeris, 2024).

AOF sees a path to changing that equation. Solving the trilemma — a responsible lender that is at once national in scale and financially sustainable — takes more than any single move: in AOF's case, we believe it takes lower-cost capital, less equity behind each dollar lent, new entities, and a rebalancing of which parts of AOF deliver which services, so lending can cover its own operating costs. Getting there means reaching underserved borrowers with affordable capital at scale, and without requiring a proportional and fast-growing stream of philanthropy.

The transition described here is itself philanthropically funded: the restructuring, technology, and capacity that let AOF move toward covering its own operating costs have been and are still being built with contributed capital, not earned revenue. Philanthropy is not only what the model leans on today — and it is funding the very transition that will let the model rely on it less tomorrow.

As everyday operations increasingly pay for themselves, the role of grant funds sharpens rather than ends, concentrating on what it does best — the taxpayer's on de-risking, and philanthropy's on the equity reserve that anchors borrowing, as well as on the education, coaching, and community work that build human and social capital. This is efficiency, not retreat: public credit enhancement remains the foundation, and grant capital from public and private sources remains essential to CDFIs still building toward scale.

Ripple's \$10 million in lending equity, described in the Foreword, offers a concrete test of this compounding power. That amount represents roughly a fifth of the total lending equity AOF deployed over the past decade. Applying the multipliers documented in this report, that equity may attract as much as \$50 million in new debt capital from impact investors, produce roughly \$156 million in cumulative lending through the re-lending cycle, and generate as much as \$900 million in new GDP over the next decade — from a single gift.

Support to Accion Opportunity Fund can fuel our continued growth, unlocking affordable loans and services to small businesses, with impacts reverberating throughout the economy.¹⁶

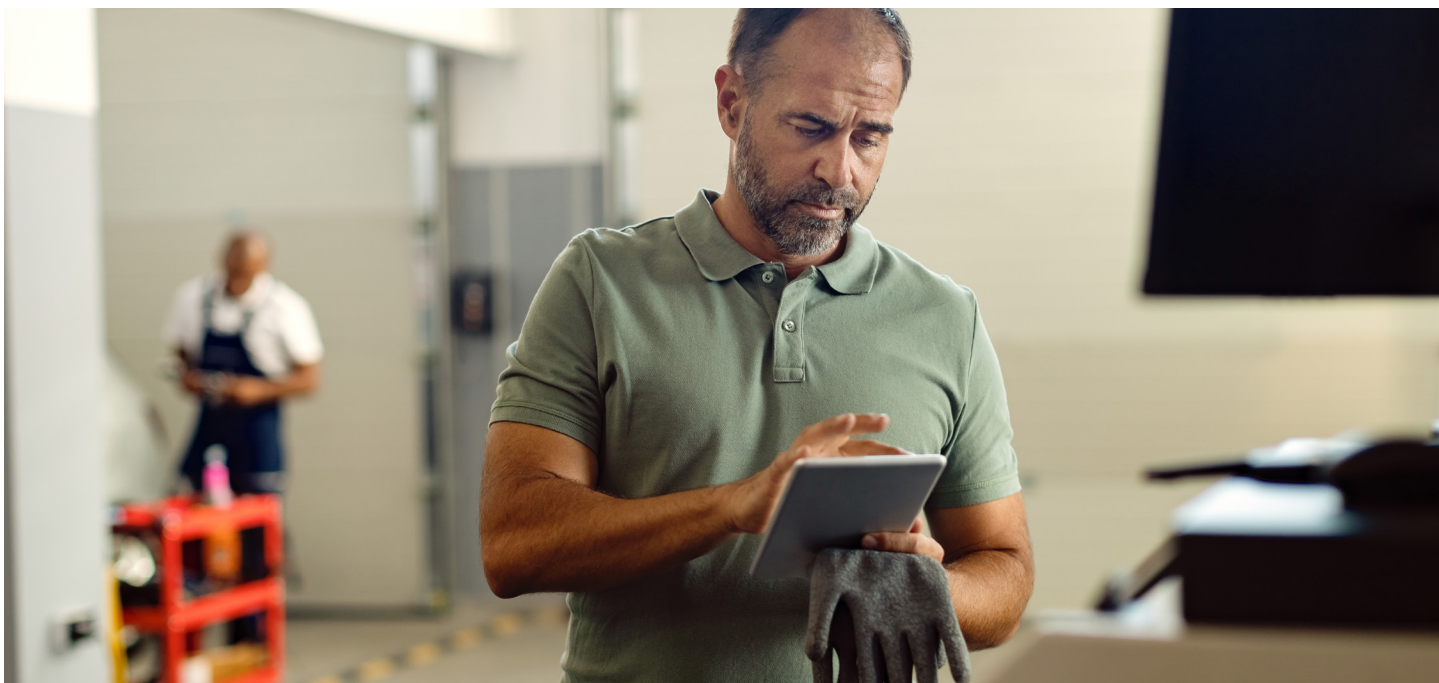
This report measures AOF's impact at the macro level — the GDP, jobs, and earnings generated by our lending nationwide. Our next edition will pair this view with longitudinal outcomes at the individual level: tracking how borrowers and their households protect, earn, and build assets over time. Together, those micro and macro lenses will paint a fuller picture of what responsible capital makes possible. We are just getting started.



Explore and learn more about AOF and Ripple at:

aofund.org/partnerships-ripple

¹⁶This projection is illustrative — it applies the report's historical multipliers to a single gift, and actual, future results will vary.



Acknowledgements

This research was funded by Ripple, whose extraordinary support has enabled AOF to deepen its understanding of how small business lending shapes local and national economic outcomes over time.

The report was produced in partnership with TXP, Inc., which has served as AOF's longstanding economic modeling partner across multiple editions of the Ripple Report, and ideas42, which provided research and writing support for this edition. Economic estimates are derived from ten years of AOF donor, investor, and lending data and the Regional Input-Output Modeling System (RIMS II) developed by the U.S. Bureau of Economic Analysis. Research and data analysis were also supported by Anthropic through a pro bono partnership.

At AOF, this work was shaped by the contributions of many individuals, including Andrey Babak, Katie Cookerly-Dietrich, David Coultas, Cathrine Evanilla, Wisburg Guerrero, Mark Guttropf, Emily Nichols, Elizabeth Ross-Ronchi, Anna Schember, Robert Sears, Michael Singer, and Luz Urrutia.



About Accion Opportunity Fund

As the nation's leading nonprofit small business lender, Accion Opportunity Fund provides affordable loans, free business advising, educational resources, and support networks to fuel long-term success. More than a lender, the organization champions small business owners who are ready to grow, thrive, and build a better future. For over 30 years, Accion Opportunity Fund has expanded access to economic opportunity by creating pathways to both financial and knowledge capital.



About Ripple

Founded in 2012, Ripple is the leading provider of blockchain solutions rewiring the global financial system. With over 85 licenses, Ripple provides a single trusted entry point for enterprises with payments, custody, prime brokerage and treasury management solutions. Ripple's stablecoin, RLUSD, and the digital asset XRP underpin these capabilities, enabling Ripple and its customers to bridge the worlds of traditional and digital finance.



Appendices

The following appendices provide detailed technical methodology for researchers and analysts.

Appendix A: Annual findings by city (Metropolitan Statistical Area)

MSA	\$ Lent by Accion Opportunity Fund	Annual Earnings Generated	Annual Employment Generated	Annual New Economic Value Generated
Los Angeles-Long Beach-Anaheim, CA	\$173,745,736.67	\$117,962,435	2,094	\$214,753,388
Fresno, CA	\$106,630,653.95	\$55,396,960	895	\$98,947,981
Riverside-San Bernardino-Ontario, CA	\$94,531,530.02	\$64,657,843	1,098	\$116,533,632
Stockton, CA	\$72,207,778.82	\$37,539,633	616	\$67,032,097
San Francisco-Oakland-Berkeley, CA	\$64,932,501.24	\$36,073,292	699	\$64,621,959
Sacramento-Roseville-Folsom, CA	\$55,445,298.54	\$29,429,581	497	\$55,415,476
New York-Newark-Jersey City, NY-NJ-PA	\$37,960,146.97	\$22,402,886	403	\$41,678,889
San Jose-Sunnyvale-Santa Clara, CA	\$36,748,388.89	\$20,399,281	404	\$38,512,554
Bakersfield, CA	\$35,937,750.83	\$18,404,800	309	\$32,384,614
Modesto, CA	\$24,081,698.53	\$12,658,947	220	\$22,640,464
Indianapolis-Carmel-Anderson, IN	\$21,435,193.53	\$13,787,461	253	\$25,936,419
Miami-Fort Lauderdale-Pompano Beach, FL	\$16,999,621.08	\$10,825,601	229	\$19,744,237
San Diego-Chula Vista-Carlsbad, CA	\$14,276,312.91	\$7,974,494	150	\$14,853,041
Atlanta-Sandy Springs-Alpharetta, GA	\$14,097,078.04	\$9,941,405	210	\$18,164,426
Yuba City, CA	\$11,099,679.63	\$4,628,498	78	\$8,939,994
Dallas-Fort Worth-Arlington, TX	\$9,249,863.81	\$6,797,321	133	\$12,243,374
Merced, CA	\$8,338,689.07	\$4,358,565	74	\$7,788,027
Houston-The Woodlands-Sugar Land, TX	\$8,009,526.28	\$5,544,283	115	\$9,925,135
Chicago-Naperville-Elgin, IL-IN-WI	\$6,791,494.37	\$4,869,024	96	\$8,762,155
Vallejo, CA	\$5,383,958.22	\$2,862,924	52	\$5,129,698
Oxnard-Thousand Oaks-Ventura, CA	\$5,079,101.74	\$3,471,259	64	\$6,298,912



Salinas, CA	\$5,042,676.91	\$2,151,876	44	\$4,073,944
Orlando-Kissimmee-Sanford, FL	\$4,682,216.20	\$2,751,501	62	\$5,361,275
Washington-Arlington-Alexandria, DC-VA-MD-WV	\$4,580,279.59	\$2,488,395	50	\$4,574,157
Santa Cruz-Watsonville, CA	\$4,378,315.77	\$2,278,377	46	\$4,241,089
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	\$3,738,556.88	\$2,505,698	47	\$4,589,597
Tampa-St. Petersburg-Clearwater, FL	\$3,683,713.67	\$2,526,947	54	\$4,622,105

Appendix B: Detailed methodology

As summarized in Methodology in Brief, the report derives three upstream multipliers — catalyst, leverage, and re-lending — from AOF's own financial, program, and lending data. The sections below detail the figures and choices behind each.

Philanthropy

The philanthropy denominator used to calculate these multipliers reflects \$139 million in private donations over ten years that directly supported AOF's lending function — including both the equity capital that anchors debt and the operational infrastructure (underwriting, servicing, compliance, community partnerships) that makes responsible lending possible. An additional \$11.9 million in government grants that supported lending is accounted for separately within the taxpayer-funding layer, and a further \$36.7 million in philanthropy designated for non-lending programs such as business advising and education is excluded entirely. We deliberately chose to include operational funding alongside equity in the denominator because it provides a more accurate picture of the total philanthropic investment required to sustain and gradually transform a lending program — even though restricting the denominator to equity alone would have produced a higher multiplier.

The leverage effect: Debt capital

The \$307 million in debt capital used in the leverage multiplier comprises \$191.3 million in committed

term instruments — EQ2 subordinated debt, Impact Notes, and Term Notes — plus approximately \$116 million in cumulative draws on AOF's revolving lines of credit. PPP-related funding remains excluded because it was not debt committed by AOF's investor coalition.

The relending effect: Small business loans

Three additional data decisions shape the lending figures used throughout the report. First, 2,105 Paycheck Protection Program (PPP) loans totaling \$34.5 million were excluded because PPP loans were government-backed and forgiven — a fundamentally different capital structure from AOF's balance-sheet lending. Second, revolving lines of credit to AOF were counted once at origination rather than each time they are renewed, to avoid overstating lending volume. Third, the loan count of roughly 25,100 — to nearly 20,000 distinct businesses — used in this report reflects these exclusions and deduplication.

The ripple effect: Value creation (GDP) by small businesses

TXP used the RIMS II model estimated by the Bureau of Economic Analysis to estimate economic impacts of AOF's lending in specific regions, or Metropolitan Statistical Areas (MSAs). This model works by taking an initial change in economic activity and estimating how that input is spent in the local economy. To do so, it builds on a set of national models that map the goods and services produced by each industry and the ways in which



they flow to other industries – and, ultimately, to final businesses and consumers. These national relationships are adjusted to reflect local supply conditions in a given region, producing multipliers that capture how economic activity in one sector ripples through the local economy.

RIMS II aggregates the direct, indirect, and induced effects described above using the appropriate industry-specific regional multipliers to estimate the impacts of any given investment on job creation and wages, and new economic value.

TXP followed this approach using data on ten years of total lending by AOF between fiscal years 2015 (beginning July 1, 2014) and 2025 (ending June 30, 2025). With information on each loan recipient's location, industry, business segment, and loan open date, TXP modeled industry-specific impacts of lending on local economies for each loan. This data is paired with industry- and region-specific multipliers from RIMS II to estimate economic output and new economic value (GDP) at the local level. Total local impacts can then be aggregated within and across industries for each local area examined. TXP did this with residual lending, outside the top 25 MSAs, in each state and nationally to estimate remaining impact.

TXP estimated economic impacts for the top 25 MSAs by AOF lending volume, combined where geographically appropriate. Together, these 25 MSAs that span 9 states, with the heaviest concentration in five (California, Florida, Indiana, New York, and Texas). The MSAs account for 89% of AOF's total loan volume over the past ten years. This concentration means that state and national estimates can be reliably derived from the MSA-level models, with small adjustments for remaining loans elsewhere. Across the study window, AOF originated loans in 46 states and Washington, D.C. – all states except Montana, North Dakota, South Dakota, and Vermont.

The analysis uses a 1-year repeated impact approach. Rather than measuring the lifetime impact of each loan, this model estimates the annual economic impacts generated by AOF's lending each year, repeated across the full study period. This approach is well-suited for organizations like AOF with ongoing, sustained lending activity.

Due to methodological updates, the findings in this Fifth Edition are not directly comparable to those in the Fourth Edition Ripple Report (2024). The Fourth Edition measured the 1-year gross output impact of each loan and applied it across eight years of lending in five states. Because gross output counts the value of goods and services multiple times as they pass through the production chain, it is a duplicative measure. This Fifth Edition addresses that limitation by using value-added GDP as the primary metric and expands to 1-year repeated impact modeling across 25 MSAs nationwide, plus residual analysis for additional state-level lending.

For definitions of key economic terms used in this report, see Definitions of Terms on page 9. For additional detail on RIMS II methodology, see bea.gov.

Appendix C: Additionality, public cost, and outcome measures

Because the realistic alternative for AOF's borrowers is not a cheaper loan elsewhere but costlier capital – credit cards, merchant cash advances, personal savings – or forgone growth, the economic activity this lending supports is substantially net-new rather than displaced from other lenders. This strengthens the additionality behind the estimates and limits the “would have happened anyway” critique that applies to lending in already well-served markets. It also bears on the national estimate: local and regional impacts are the most firmly grounded, while the national aggregate is bounded below by this additionality and above by the possibility that a portion of a funded business's growth substitutes for activity elsewhere – a substitution that is smaller for firms serving demand that incumbents do not reach and that recirculate more of each dollar locally.

Public funding is measured as cash actually spent on AOF's lending: \$11.9 million in grants plus \$36.8 million in loss-claims paid. The loss reserves behind enrolled loans are funded roughly half by state and federal (SSBCI) dollars and half by AOF and borrower contributions, so the public share of the paid claims (about 83 percent) already embeds the federal dollars at work; AOF makes no claim on California's broader SSBCI allocation beyond its own realized draws. Guarantees enrolled but never claimed are



treated as contingent exposure, not realized cost — a conservative choice for a retrospective study spanning a pandemic. Even applying a marginal cost of public funds — the deadweight loss of raising a tax dollar, commonly estimated at \$0.20–0.50 per dollar — the public contribution rises only to roughly \$72 million, still leveraged more than six-to-one by private philanthropy and debt.

Survival and job figures reflect selection and support, not a treatment effect measured against a comparable control group of non-borrowers. Selection is intrinsic to the work: responsibly closing a capital gap requires disciplined underwriting and a portfolio approach, and these figures help illustrate how well that selection performs. That discipline also extends to small business loan applicants who do not yet qualify.

Since 2025, AOF has directed nearly every online loan applicant to a free, personalized learning plan determined by analysis of their own application data, with modules on business and consumer credit, cash flow, financial management, and more. Funded philanthropically rather than from lending capital, this software is designed to serve motivated owners who are not yet qualified for CDFI loans at very low marginal cost — a role large CDFIs are uniquely positioned to play, because they see the barriers to responsible capital up close every day. The micro and macro outcomes of engaging these resources are an area AOF has identified for further research.

Finally, the loan dataset analyzed by TXP excludes restructures and does not include loan sales or participations; each record is a distinct loan to a business, with a modest number of genuine repeat borrowers over the decade, so no loan or business is counted more than once in the \$960 million or the ~20,000-business total.

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