



BRIDGING VIRGINIA

CONNECTING BEYOND CAPITAL

2022 IMPACT REPORT

1717 EAST CARY STREET, RICHMOND, VA 23223
WWW.BRIDGINGVIRGINIA.ORG



A Trusted Partner
for Virginia Communities



OUR VISION

We envision communities where everyone can freely and easily access capital, build wealth, and grow their economic opportunities.

OUR MISSION

To close the gap of access to capital for historically marginalized small business owners and places. We do this with a supportive, collaborative approach that delivers the right tools – affordable capital and technical assistance – at the right time.

OUR HISTORY

- 2020**
 - Bridging Virginia is formed by a team of volunteers in response to the economic impact of COVID-19
 - Bridging Virginia facilitates more than \$220,000 in financing
- 2021**
 - Bridging Virginia becomes a non-profit organization
- 2022**
 - Bridging Virginia aligns with the Metropolitan Business League (MBL) in launching the Capital Access Program
 - Hired CEO and Capital Access Manager
 - Bridging Virginia lends an additional \$175,000
 - Bridging Virginia moved into their new office at 1717 Cary Street alongside MBL and other partners

SINCE 2020, BRIDGING VIRGINIA HAS FACILITATED OVER \$550,000 IN AFFORDABLE AND FLEXIBLE LOANS, EITHER THROUGH DIRECT DEPLOYMENT OR IN COMBINATION WITH OTHER CAPITAL PROVIDERS.

THE OPPORTUNITY

An Opportunity to Close the Gap

When it comes to entrepreneurship, small business loans are decreasing nationwide, which leaves already underinvested businesses with even less capital access. Combined with discriminatory lending practices and systemic barriers to accessing capital, people of color and women often cannot get the funding they need from traditional sources.

Why does this matter? Business equity is the second largest source of wealth, after home equity, for American households. The gap in small business financing is just a piece of the larger racial wealth gap in America, which is estimated to cost the economy over \$1 trillion annually.¹

63-76% of minority-owned and woman-owned small businesses are seeking under \$100,000...



... but loans under \$100,000 have fallen 24% as compared to GDP in recent years.⁵

Richmond, VA has a 60% minority and 53% women population



...but only 12.8% of businesses are minority-owned and 17.9% are woman-owned.⁶

Black-owned firms have smaller amounts of debt than other firms², and Latino entrepreneurs start the most businesses per capita of any racial group³...



...but only 18% of Black and Latino business owners report receiving support from bank loan officers.⁷

Business ownership can be an important wealth-building tool, the 2nd largest source for American households⁴...



...but BIPOC (Black, Indigenous, or People of Color) business owners receive less business financing, less often and at higher rates than their white counterparts, 66.4% compared to 80.2%.⁸

¹The Economic Impact of Closing the Racial Wealth Gap, McKinsey & Company.

² 2021 Report on Firms Owned by People of Color, Federal Reserve Bank.

³ People of Color Small Business Network 2021 Impact Report, Greenlining Institute.

⁴ Closing the Women's Wealth Gap, Women's Wealth Gap.

⁵ Small Business Equity Tool: Richmond, VA, Path to 15|55

⁶ Racial Funding Gap Shows Black Business Owners Are Shut Out From Accessing Capital, NerdWallet.

⁷ People of Color Small Business Network 2021 Impact Report, Greenlining Institute.

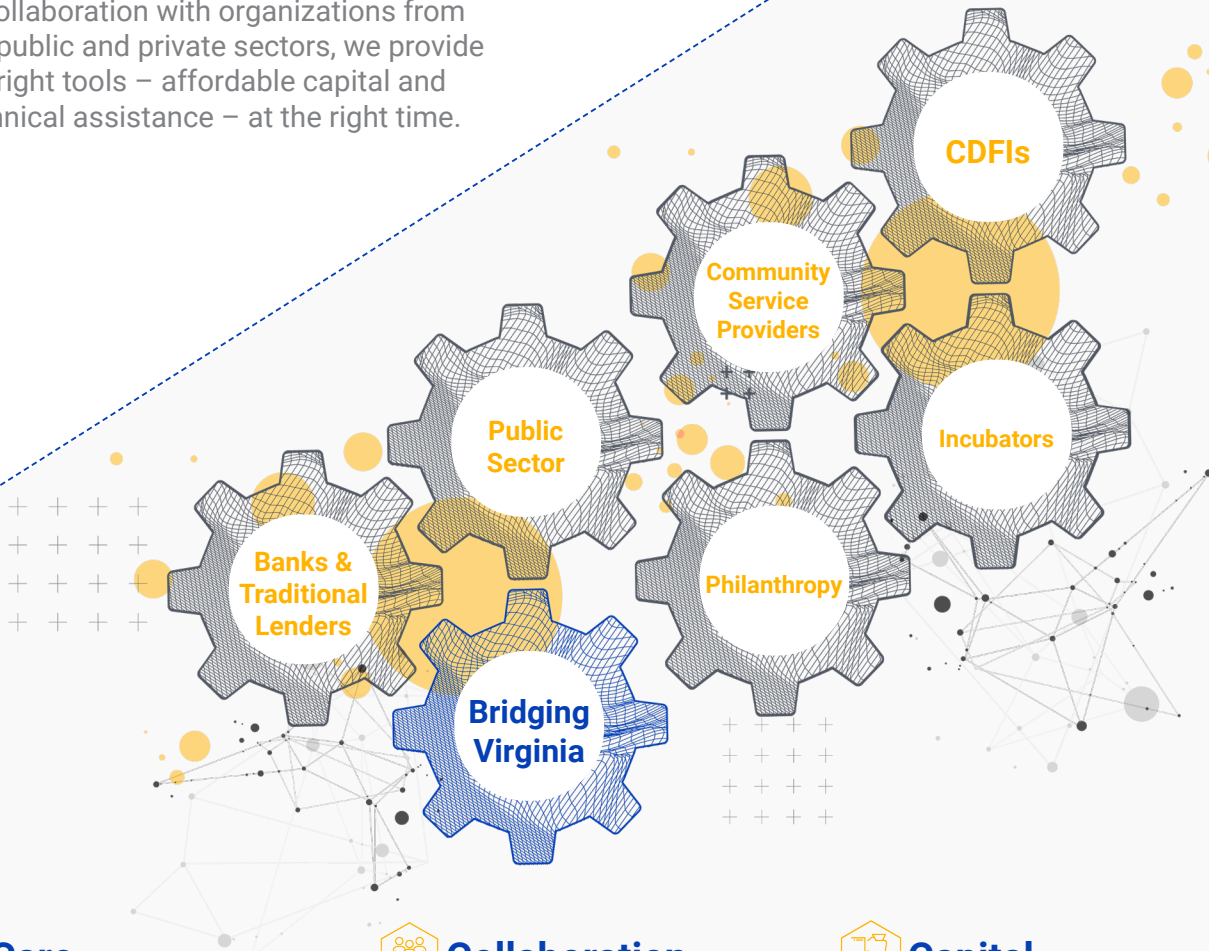
⁸ Racial Funding Gap Shows Black Business Owners Are Shut Out From Accessing Capital, NerdWallet.

OUR APPROACH

Through **care, collaboration, and capital** our communities can thrive.



Aiming to be a trusted partner, Bridging Virginia is here to help close the financing gap for underinvested small businesses. In collaboration with organizations from the public and private sectors, we provide the right tools – affordable capital and technical assistance – at the right time.



Care

Providing education, technical assistance, and knowledgeable guidance for businesses to thrive.

- Financial capacity building
- Pre-lending support
- Strategic business planning

Collaboration

We engage with local organizations to build trust and an inclusive entrepreneurial ecosystem.

- Knowledgeable partner referrals
- Amplifying impact with joint solutions
- Community-based innovation

Capital

We provide flexible, affordable capital to business owners for growth and development.

- Loan Size of \$50,000 or less
- Reasonable, below market interest rates
- Collateral Enhancements (loan loss reserves)

OUR IMPACT IN 2022

In 2022 we expanded our capacity through lending, business support, and partnerships. We are proud of our clients and the value they bring to Virginia communities.

Impact Snapshot: **Victoria's Kitchen**

Created the right capital solution for the client's seasonal income, meaning they could keep operating despite irregular cash flow.

“

Now I'm ready for the next step because I already have everything I need, and [Bridging Virginia] gave me a better understanding of how all of that worked.

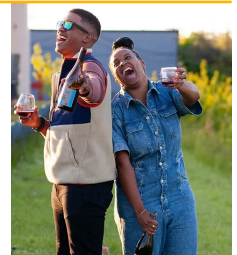


Impact Snapshot: **RichWine**

Combined our lending with another community lender to facilitate a \$100,000 loan to one small business, doubling the individual lending ability of both organizations.

“

It's kind of like it's a relationship. It's like it doesn't have to start with paperwork and end with paperwork.



Impact Snapshot: **Creative NxGen**

After an initial loan from Bridging Virginia in 2020, our client went on to access 3x the initial credit we provided through an ecosystem partner.

“

It has been more than just a financial resource...it's a connection.



BY THE NUMBERS

Provided **65 individual entrepreneurs** with direct lending, facilitated lending, referrals, or technical assistance, impacting over 200 employees

Facilitated **\$235,000 in loans** to Black, Brown and/or Women-owned small businesses

Raised more than **\$500,000 in grants and donations** to expand lending and technical assistance through our partners

Advocated for inclusive capital access at **13 community events**

Referred 48 entrepreneurs to more than 24 partner organizations for funding, technical assistance, or business planning

IMPACT STORY: RICHWINE

Opportunity

After establishing a successful online presence, RichWine was ready for brick-and-mortar expansions.

Partnership

Bridging Virginia partnered with a local CDFI to lend \$100,000, doubling their individual capacity.

Impact

RichWine leveraged capital for kitchen expenses, now able to expand into food service and hire additional staff.

What happens when you combine two fun, hard-working wine lovers? In the case of Kristen Gardner Beal and Lance Lemon, you get a boutique wine retailer with big taste and a lot of heart. Virginia natives Kristen and Lance became friends attending middle school in Hanover County, then attended the University of Virginia together before becoming neighbors in Brooklyn, NY. In 2019, after Kristen had spent 10 years in banking and Lance had opened two successful wine shops in NYC, they decided to combine expertise and create their own wine brand. The new brand, RichWine, would bring quality, clean farmed, organic, and biodynamic wine at an affordable price to the community in Richmond, VA.

After starting as an online retailer in 2020, Kristen and Lance began exploring options for a brick-and-mortar location. After a particularly successful year of business, they spoke with the Jackson Ward Collective (JWC) about lending opportunities that would allow them to open a physical location. Despite RichWine's profitable business model, good credit, and Kristen's prior work in Credit Derivatives, they were still denied loans from major banks. JWC connected them with several organizations that could help with affordable capital options, leading them to Bridging Virginia and the Community Investment Collaborative (CIC), a CDFI based in Charlottesville. Bridging Virginia and CIC combined their capital resources to provide RichWine the capital they needed, as well as technical assistance to understand the nuances of the lending process.

In 2023 Kristen and Lance opened their shop, Penny's, with a special ribbon cutting hosted by JWC. With their doors open and online business booming, Kristen and Lance are now looking forward to future expansion and a long life in the Richmond community. Their story has been featured by a number of media sources, including Capital One, Richmond Magazine, Soul Vision Magazine, Richmond Biz Journal, and more.

RichWine

Boutique Wine Shop Rich in Heart

"It's kind of like it's a relationship. It's like it doesn't have to start with paperwork and end with paperwork."



IMPACT STORY: PASTRYBASE

Opportunity

When the business was ready to expand manufacturing, PastryBase had trouble finding an affordable space in the region.

Partnership

Jill was referred to Bridging Virginia who provided a \$50,000 loan and technical assistance.

Impact

PastryBase manufacturing was established on the Hatch campus, bringing jobs and resources into the region.

LillyBean by PastryBase Baking Mixes and Kits are made locally in Virginia in a completely allergen-free space, ensuring that dietary limitations don't have to mean a limitation on flavor. Jill Donaldson, the company's Lebanese founder, built PastryBase when after a long career as a pastry chef she developed her own food intolerances. She knew that health issues shouldn't be the end of her relationship with dessert, and so in 2017 she began whipping up kits in her home kitchen. Named after the maternal grandmother who instilled her love of baking, LillyBean by PastryBase was born.

Jill had great success selling baking kits through markets and trade shows, and then through online sales after the COVID lockdown. By 2022 Jill was selling enough products to need a co-packer for blending products, having outgrown the equipment in her kitchen. Jill soon realized finding an affordable, local space at the right size proved almost impossible, but she had an opportunity to do it if she could secure the capital. Unfortunately, the loan process with major banks was not only time-consuming but felt intentionally confusing.

After partnering with Bridging Virginia, Jill was able to secure a facility in Richmond and bring production back in-house. Local manufacturing means PastryBase can hire more local employees, continue locally sourcing ingredients, and even offer their space to other businesses with similar allergen-free needs. Now the only limits to PastryBase's growth are Jill's imagination as she brings jobs, and cake, to the Richmond area.



LillyBean by PastryBase

A Recipe for Accessible Desserts

"It's been a great experience and it's been... all about relationship building...It feels like we're sort of in this together now. And we're trying to figure out, how can we do other things together in the community?"

LETTER FROM LEADERSHIP

Bridging Virginia is so grateful for the support as we have grown over the past year. We brought on new staff, expanded collaboration with the Metropolitan Business League, and served more clients. We found a new home at the 1717 Innovation Center, joining other small business service providers and partners – forming the Capital Access Hub. This central location will allow us to increase accessibility and supports the Richmond region’s entrepreneur and business ecosystem.

Bridging Virginia remains focused on increasing inclusive economic opportunities by providing flexible and affordable capital and client-first solutions. We will continue this growth into the next year, expanding our loan fund and diversifying our capital offerings to serve more entrepreneurs, business owners, and partners. With the added capital and capacity, we can also expand our reach into other regions across Virginia.

This work is possible because of the ongoing commitment of the Bridging Virginia board, staff, and our partners. It takes all of us to build a more inclusive Virginia and we look forward to continuing together.

**In community,
The Bridging Virginia Team**

Board

Marland Buckner
Board Secretary
Co-Founder & Principal of MB2 Solutions

Leesa Christian
Board Treasurer
CFO of Bankers Insurance

Leah Fremouw
Board Member
President & CEO of Bridging Virginia

Harrison Roday
Founder & Board Chair
Chair of Foodshed Capital

Staff

Leah Fremouw
President & CEO, Board Member

Sharon Anderson-Grooms
Capital Access Manager

Elizabeth Gilbert Kaetzel
Director of Community Investment and Impact,
Founder of Narratur Studio

Hannah Schwartz
Director of Development

Deaudrea ‘Sha’ Aguado
Photographer & Visual Designer

The Olea Group
Underwriters

Highlander Accounting

Partners

Altria

Atlantic Union Bank

Capital One

Community Foundation for a Greater Richmond and the Fund for Entrepreneurial Growth

Community Investment Collaborative (CIC)

Genworth Financial

The Jackson Ward Foundation

LISC Virginia

Marguerite Casey Foundation

The Metropolitan Business League

People’s Advantage Federal Credit Union

StartUp Virginia

Truist

Virginia Credit Union

And all of our private donors