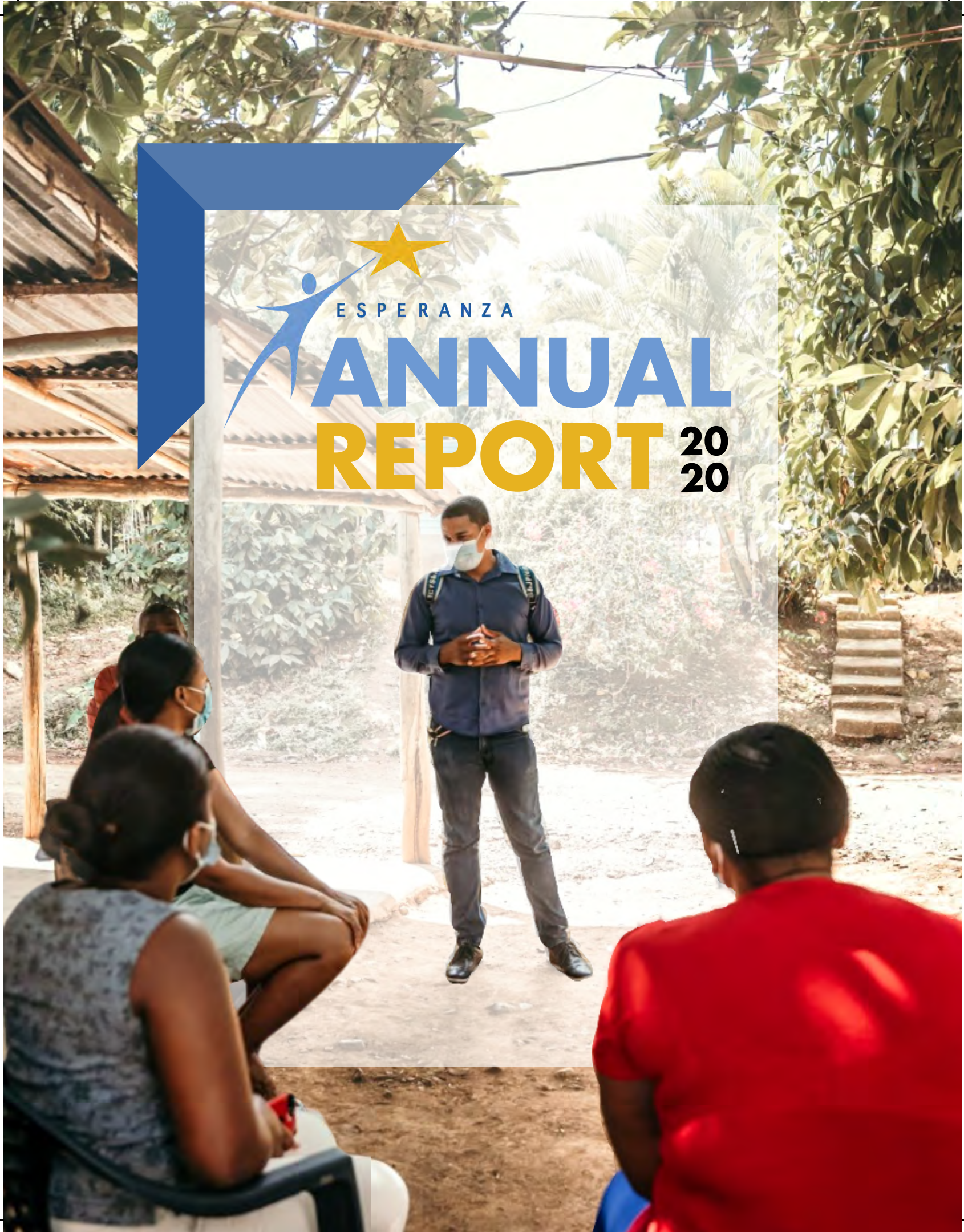




ESPERANZA

ANNUAL REPORT 2020



IN THIS REPORT

Letter from the CEO

Esperanza's Story Timeline

Financial Services

Non Financial Services

2020 Initiatives

What's Next?

“For I know the plans I have for you,” declares the Lord, “plans to prosper you and grow you, plans to give you hope for the future.”

–Jeremiah 29:11

Mission

To free families from poverty and share the hope of Christ.

Method

We offer holistic, Christ-centered financial and non financial services that equip families to flourish.

Motivation

We seek to glorify God by loving our neighbors in word and deed.

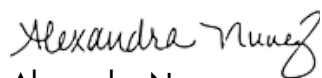
We arrived at the end of 2020 grateful and celebrating. Looking back over 25 years of Esperanza allows me to see how thousands of families were changed through the investments of so many givers, board members, partner organizations, staff, and fellow associates. I celebrate your commitment to join us in restoring hope and dignity, to see families overcoming poverty as we share the hope of Christ. In this report, I trust you see your impact and celebrate with us.

With resilience and courage, our associates have gratefully accepted the "hand up (not a handout)" that Esperanza offers, using loans to build businesses and houses, gaining knowledge to manage their enterprises and finances, and becoming community leaders. I wholeheartedly honor their strength and perseverance and am honored to highlight their stories.

2020 also brought the reality of COVID, and in these pages, you will see how we responded to the hard places we navigated alongside our associates and staff.

As we have for 25 years, in 2020 Esperanza continued to "give thanks to the Lord, for He is good: His love endures forever" (II Chronicles 16:34). While many things were different this year, His love never wavered and was never canceled, and we celebrate His steadfast love for each one of us most of all.

Thank you for walking steadily
with us to a future with hope,



Alexandra Nunez
President & CEO



Cheryl Hunter
Board Member



David Valle
Founder



David Wasik
Board Member



Elie Lafortune
Board Member



Jenn Tarbell
Board Member



Jerameel Rosario
Board Member



Scott Olson
Board Member



Toby Kilgore
Chairman

BOARD OF DIRECTORS

1995

Esperanza Int'l founded
with \$30,000 and 20
borrowers

1998

Group loans introduced as
Esperanza's core financial
product

2001

1st branch office
opened



2010

\$30.6M disbursed in
74,905 loans.

Massive earthquake in Haiti;
Esperanza opens second
Haiti office to help with
emergency response

2008

1st water project

Encountering kids begging for food
outside the baseball stadium in
Santo Domingo affected Dave and
Vicky Valle deeply. "We made a
decision that if we were ever in a
position to change it, we would do
that." Ten years later, Dave and
Vicky agreed, "It's time,"
and Esperanza was born.

2011

1st school
loan



2014

Alexandra Nunez begins
serving Esperanza as CEO

2015

\$60.5M disbursed in 188,871
loans

2002

1st 1000 families
served



2005

\$11.4M disbursed in
28,597 loans



2006

Esperanza begins
offering
individual loans

*“Esperanza is
hope. It truly
is...Esperanza is a
way for women to
be able to work
and take care of
their families.”
-Amelia*

2007

1st dental outreach
10,000 associates
served



2019

New branch office in Santo
Domingo Este

2020

68,194 associates
\$84.3M disbursed in
242,361 loans



FINANCIAL SERVICES

To serve the most vulnerable most effectively, Esperanza has operated eleven branch offices in both the Dominican Republic and Haiti throughout the past 25 years. Currently, Esperanza strategically serves seven rural and urban communities through its branch offices, offering financial products and non financial services to micro entrepreneurs. Over half our associates are Haitian immigrants who cannot otherwise access financial services.

84

different types of businesses are managed by Esperanza associates, with an average group loan of \$288

51%

of businesses are retail, clothing sales or convenience stores (colmado), the three most common businesses



Group loans



Individual loans



Housing loans

To date, Esperanza has disbursed over **\$86 million in loans** and other financial products.

When we asked associates if their businesses were open

**MARCH
2020**

42%

**DEC
2020**

69%

When the lockdown began, Esperanza quickly extended a 90-day grace period on loan payments, without fees or interest, to alleviate associates' pressure. Despite suffering through the pandemic itself, the depletion of the tourist industry, and many days without customers, Esperanza celebrates our associates' repayment rate of almost 95% at the end of 2020, with associates reporting they were able to save an average of \$232 pesos on their own initiative throughout the year.

"Esperanza helped us by giving more time to pay so we didn't have to worry and always coming to visit us. They didn't come to pick up payments but to see how we were doing." - Juana

"Compassion grows through helping others. You can give even if you have nothing."

As Pastor Henry prayed for direction for his business reselling clean water from his truck, an Esperanza loan officer walked in and asked about his dreams for the future. That day, Henry decided to invest in his community by launching a water purification project next to the church. Through the business, he provides his community with clean water for less than half what they paid before. (The Dominican Republic has no sources of potable water, making access to clean, affordable water an essential need in the whole country.)

Six years later, Henry has grown the project into a franchise that can bring affordable water to other communities in need and employs 16 people. He is president of the National Council of Water Purification Projects and dreams of doubling his staff then investing profits from the expansion in social programs that benefit children in impoverished communities. When the virus began to spread, Henry's team innovated a process to sterilize bottles and guarantee the safety of their product. He also purchased food and medicine, making deliveries around Santo Domingo to families with the greatest needs.

64,000 gallons of clean, affordable water available every day through water projects

16
active
projects
in 2020



g loans

to fund associates' dreams and goals with five core
ducts.



School loans



Church initiative loans

Seeing neighboring children struggling academically, Berki put her education degree to use offering homework assistance in her backyard. When the number of students coming for help outgrew her yard, Berki began to dream about opening her own school. Starting with a \$2000 (USD) loan in 2013 to open a classroom, Berki has since taken out several more loans to purchase land and build a school, providing excellent academic opportunities to more than 200 vulnerable children. She hired ten employees, equipping them to be community leaders. Through example and training, Berki encourages service. At one point, the school led a community-wide recycling project.

When all the schools closed during the pandemic, Berki found virtual platforms that allowed children to continue learning, serving more than 100 students with live, online classes. She dreams of expanding until the school is at capacity and opening a daycare to support working mothers. Her business has benefited her own family, as she used business income to build a house for her family and send each of her children to college.

"Esperanza for me is like a family. The staff are professional but care about me personally."



NON FINANCIAL SERVICES

"We are all created in the image of God. We all have dignity and deserve respect." –Naslyn

Poverty is more than financial limitations; it has spiritual, physical, relational and environmental dimensions. Our non financial services meet real needs with robust solutions. Throughout our history, Esperanza has improved and reimagined services to encourage sustainability and promote whole person flourishing. As families experience healing and growth, communities are transformed.

199

local pastors and
community leaders
integrated into
Esperanza's work in
2020

100%

of associates hear
about the hope of
Christ

Esperanza equips associates with business training and personal development. We celebrate each associate—77% of them women—who gains knowledge and skills to grow her business and improve her family life through group classes. When we began to develop an app in partnership with MoveUp to expand the classes and training we could offer, we did not know how essential that tool would be this year!

MORE THAN

- 1000 associates and family members accessing EsperanzaAPP
- 8.7 lessons on average per associate in 2020
- 236 lessons and 38 courses available in the app

Because her mother is an Esperanza associate, Mirella can access classes on the Esperanza app while she pursues an elementary education degree. Her favorite courses were on creating savings and improving mental health. "I've acquired a lot of new skills that serve me as a student. Before, I didn't know how to save. Now, I separate my money which lets me do well in university. I've learned how to manage my money."

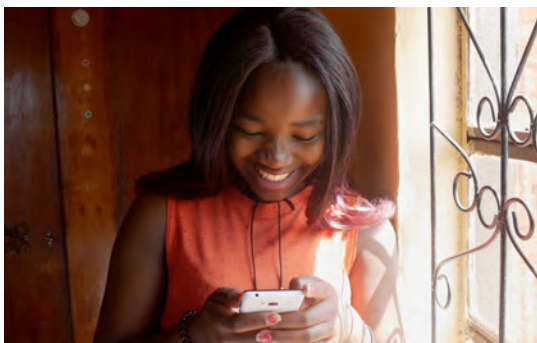
When we create opportunities for parents, children thrive, as Mirella is.





Families in poverty experience barriers to accessing medical and dental care. As we bring preventive screenings, education, and medical providers to communities we serve, we celebrate the increased health and wellness of families. Since 2007, we partner with Smiles for Life and local dentists to offer dental services to associates and their families. Although COVID interrupted the rhythm of in-person services, we remain committed to restoring dignity through these essential treatments.

Not being able to be present with each other did not limit vocational training, either. Coordinator Eliana Ponserrate found a way to offer skills training, delivering supplies to homes then teaching virtually. We celebrate that in the first class eighteen participants learned a new skill to diversify their businesses and open new revenue streams!



Responding to associates' needs during lockdowns, Esperanza launched its first-ever webinars in 2020, partnering with local organizations and experts to provide teaching on crucial topics, like personal and business finances during a crisis, mental and emotional health, spiritual encouragement, and health and hygiene.

Balbina sold clothing and cosmetics from her home until COVID restrictions left her without customers. After attending an Esperanza webinar about marketing strategies during the pandemic, Balbina was inspired to begin promoting her products through Facebook and WhatsApp. Balbina's sales increased, providing for her family. We are celebrating her success!

"I changed my mindset and diversified my business."



2020 INITIATIVES

Bold goals at the beginning of 2020 to increase our impact shifted quickly in mid-March to the singular goal of protecting our vulnerable associates and staff. Esperanza's team took extraordinary measures to deploy grace periods for active loans, provide emergency food supplies to communities in need, and continue improving our internal processes. At every moment, we experienced the faithfulness of God and were encouraged by the generosity of givers who helped us navigate the storm.

Aligned with our core value to "achieve results with excellence," Esperanza's management team pursued an intensive certification process with Inclusive Financial Governance (GIF - proyectogif.org) in 2020. GIF challenges financial organizations serving vulnerable populations in Latin American countries to establish highest standards of excellence in governance and certifies those who achieve compliance.



"{Earning the GIF certification} was a great accomplishment for Esperanza...Working through this consultation allowed us to review ourselves as an organization and make adjustments to be the best governing body possible." -Board member Jerameel Rosario

MORE THAN
500
boxes of food
distributed to outlying
communities that were
cut off from access to
essential supplies when
the lockdowns began,
in collaboration with
local partner Bravo





When we look back over so many years of intentional effort, partnering with you to eradicate poverty, this year we saw the impact of our work with stunning clarity. Families were better prepared to navigate a world-shattering crisis because of skills they learned, savings they set aside, and health measures they were able to implement.

As we look ahead to how we intend to live out our mission of bringing families out of poverty and sharing the hope of Christ, we know the work is as essential as ever and yet more challenging. We are reconsidering every strategy and program to be certain we offer the supports and services our associates need to maintain meaningful work and provide for their families. This is a time like none in our history, and you have allowed us to be present with our associates, serving and caring for them as we continue to share our confidence that God will provide for and protect each one of us.

With strategic financial products, new formats for trainings and workshops, and renewed efforts to reach new associates living in poverty, we are determined to be effective and relevant to the needs we see around us every day. Thank you for making a difference. Will you consider giving again?

Your partnership shaped every story in this report. We are eager to see the stories of restored hope and dignity that are still being written.



**AUDITED FINANCIAL STATEMENTS ARE ALWAYS AVAILABLE
TO REVIEW AT WWW.ESPERANZA.ORG/FINANCIALREPORTS**

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Thank you for your support. To continue
investing in our associates, give online at
www.esperanza.org/donate

Or mail to
PO Box 701612 | Dallas, TX 75370

You are making a difference with renewed
hope for the people of the Dominican Republic.

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