

Upstart Co-Lab and Honeycomb Credit announce a new investment vehicle enabling foundations to participate in loan crowdfunding campaigns in creative industries

NEW YORK, NY, April 26, 2022 — [Upstart Co-Lab](#), a non-profit that is disrupting how creativity is funded, and [Honeycomb Credit](#), a first-of-its kind loan crowdfunding platform, today announced a new, bespoke capital allocation vehicle that allows institutional investors to participate in loan crowdfunding campaigns. The capital will be used to provide loans to small businesses in creative industries across the U.S.

Three foundations — the Jessie Ball duPont Fund, the A.L. Mailman Foundation, and Souls Grown Deep Foundation and Community Partnership — will invest \$600,000 with Honeycomb Credit through the vehicle, known as a Loan Participation Fund. Operational support for the foundations is provided by the nonprofit FJC – A Foundation of Philanthropic Funds, which is acting as a Loan Participation Fund intermediary. This marks the first time that foundations are taking part in investing in loans alongside the crowd.

The three investments have specific areas of focus. The capital from Souls Grown Deep and the A.L. Mailman Family Foundation will be invested in Black-owned businesses in nine southern states. The investment from the Jessie Ball duPont Fund will be directed toward entrepreneurs in seven Northeast Florida counties, prioritizing borrowers who are low-income, women or people of color.

As of 2022, the average loan size on the Honeycomb Credit platform is \$70,000. About half of the businesses on the platform were previously unable to access credit or were referred by a lender who declined to provide them a loan. To date, 46 percent of businesses financed through Honeycomb Credit have been in low-to-moderate income communities, 49 percent were woman-owned, and 24 percent were BIPOC-owned.

“We’ve been working with Honeycomb Credit to bring this new impact investment vehicle to the foundations we advise since the fall of 2020,” said Laura Callanan, founding partner of Upstart Co-Lab. “We’re thrilled to see this collaboration bear fruit, both in expanding what’s possible in the world of impact investing and in bringing much-needed financing to businesses in creative industries, which play a vital role in every thriving local economy.”

The three participating foundations are part of Upstart Co-Lab’s community of impact investors with an interest in supporting the creative economy.

“Large foundations tend to design their infrastructure around deploying capital in hundreds of thousands, even millions of dollars at a time — which is much more than any one small business needs,” said George Cook, CEO and co-founder of Honeycomb Credit. “The Loan Participation Fund bridges that gap, allowing foundations to write large checks but allocate the money to small businesses with the help of an intermediary. This way, big foundations can invest alongside the crowd at the scale that makes sense for helping local entrepreneurs grow their businesses.”

Since 2017, Honeycomb Credit has channeled \$11.3 million through more than 180 loan campaigns to businesses in 23 states and Washington, D.C. 80 percent of the businesses that have raised capital through the Honeycomb Credit platform are creative economy businesses such as local cafés, breweries, and fashion brands that create jobs and contribute to vibrant economic activity in their communities. After raising capital via a Honeycomb Credit campaign, businesses experienced an average 60 percent increase in revenue — in part thanks to the engagement that a Honeycomb campaign encourages by galvanizing local investors around businesses in their areas.

“We know how difficult it is for low-wealth entrepreneurs, especially those in under-invested communities, to access affordable loans – capital that allows them to grow and create sustainable wealth that raises up the entire community,” said Mari Kuraishi, President of the Jessie Ball duPont Fund. “We are excited about promoting innovative online lending technology locally to unlock equitable and affordable capital for Northeast Florida businesspeople who are currently only able to access high-interest lenders.”

“Since 2019, Souls Grown Deep has committed 100% of our endowment to impact investments, mobilizing our capital towards meaningful and mission-aligned opportunities in the arts and to fund Black-owned businesses, especially those in the southern United States. This new financial vehicle allows us to invest at scale in a substantial way for relevant small businesses, broadening our distributions while continuing to deepen our impact,” said Dr. Maxwell L. Anderson, president, Souls Grown Deep Foundation and Community Partnership.

FJC, a public charity with over \$380 million in assets that offers a diverse menu of philanthropic services, will act as a Loan Participation Fund intermediary for foundations that want an efficient solution for funding and tracking multiple small disbursements and repayments. Foundations that have used FJC’s intermediary services include the A.L. Mailman Foundation and Souls Grown Deep Foundation and Community Partnership.

“We were thrilled to work with Honeycomb Credit to create fiduciary accounts that could make it easy for foundations to implement Loan Participation Funds,” said Sam Marks, CEO of FJC. “Our scaled operational platform has so many potential applications, and it’s great to work with a partner that can put our capabilities to work at the intersection of philanthropy, small business lending, and impact investing.”

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NOTES TO EDITORS

[About Upstart Co-Lab](#)

Upstart Co-Lab is disrupting how creativity is funded by connecting the \$17 trillion of socially responsible and impact investing capital in the U.S. to the \$920 billion U.S. creative economy. Since 2016, Upstart Co-Lab has framed the creative economy as an impact investing priority, garnered international attention for impact investing in the creative economy, and directly connected more than \$18 million of impact capital with creative economy opportunities. Upstart’s research has shown that the creative economy offers investors impact value,

commercial viability, and innovative edge; correlates with diversity, equity, inclusion; and is relevant in both rural and urban markets.

[About Honeycomb Credit](#)

Honeycomb Credit is a Pittsburgh-based crowdfunding platform making loan capital available to small businesses that are deeply integrated in their community. Since 2017, Honeycomb Credit has channeled \$11M+ through over 180 loan campaigns. Honeycomb Credit currently serves businesses in 23 states and Washington, D.C. — 80 percent of which are creative economy businesses.

[About the Jessie Ball duPont Fund](#)

The Jessie Ball duPont Fund is a private foundation that works to expand access to opportunity and create inclusive growth for the people, organizations and communities that Jessie Ball duPont knew and loved. We envision a world in which every member of those communities feels they belong, and is engaged in shaping the future of their community. We use our grantmaking, investments, research and partnerships to increase equitable access to opportunities and resources for members of society who have historically been excluded, and placemaking to build stronger communities where all voices are heard and valued.

[About A.L. Mailman Family Foundation](#)

The A.L. Mailman Family Foundation supports the health, wellness, and education of children both within the United States and around the world. For over 40 years, we have built, funded, and amplified philanthropic efforts to provide equitable access to services for personal betterment, including the families of children in need.

[About Souls Grown Deep Foundation and Community Partnership](#)

Souls Grown Deep advocates the inclusion of Black artists from the South in the canon of American art history and fosters economic empowerment and educational advancement in the communities that gave rise to these artists. Souls Grown Deep Foundation stewards the largest and foremost collection of works by Black artists from the Southern United States, advancing its mission through collection transfers, exhibitions, education, public programs, and publications. Souls Grown Deep Community Partnership pursues racial, social, and economic justice through grant-making, values-aligned investments, underwriting projects, advocacy, and forging collaborations with a variety of like-minded civic organizations, businesses, and nonprofits.

[About FJC](#)

FJC is a public charity with over \$380 million in assets that offers a diverse menu of philanthropic services, including Donor Advised Funds and fiscal sponsorships. The organization works with nonprofits and philanthropists to design customized solutions that apply its scaled operational platform and investment expertise.

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