



INVESTOR: A.L. Mailman Foundation
AMOUNT: \$50,000 in 2022
INVESTMENT: Seed Extension Round
CREATIVE ECONOMY SECTOR: Ethical Fashion, Sustainable Food, Social Impact Media, Other Creative Industries
ASSET CLASS: Venture Capital

Honeycomb Credit is a crowdfunding platform making loan capital available to small businesses that are deeply integrated in their community. Since 2017, Honeycomb has channeled \$16M through 200+ loan campaigns, with an average loan size of \$48,000 in 2022. Honeycomb serves businesses in 24 states and Washington, D.C. and plans to expand nationally. 80% of the businesses that have raised capital through the Honeycomb Credit platform are creative economy businesses as defined by Upstart Co-Lab.

Honeycomb raised a seed extension round to acquire a technology platform from a defunct competitor allowing them to bring all their technology in-house; launch a new website; build a mobile app; and accelerate their growth to new geographies through an expansion of its sales and marketing teams.

Impact Strategy

Honeycomb Credit provides access to capital for local businesses. From 2007 to 2018, there was a 35% reduction in commercial banks in the U.S. and a corresponding 29% decrease in the number of small business loans. Honeycomb Credit was created to fill the access to capital gap due to the loss of community banks, fill a unique role in the small business lending universe, and provide an affordable borrowing option for businesses that could otherwise fall prey to predatory online lenders. Approximately 50% of the businesses have previously been unable to access credit or have been referred to Honeycomb by other lenders who passed on lending to the company. After raising growth capital on the Honeycomb platform, businesses experienced an average 60% increase in revenue 1 year after completing a campaign, 80% increase in press mentions, and a 40% increase in Yelp and Google reviews. In addition, Honeycomb has helped over 12,000 retail investors make their first small business investments.

ACCESS TO CAPITAL FOR BIPOC & WOMEN ENTREPRENEURS	✓
QUALITY JOBS	✓
VIBRANT COMMUNITIES	✓
SUSTAINABLE CREATIVE LIVES	✓
AN INCLUSIVE CREATIVE ECONOMY	✓
ENVIRONMENTAL SUSTAINABILITY	—

✓ PRIMARY IMPACT ✓ SECONDARY IMPACT — NOT AN EXPLICIT IMPACT PRIORITY

Impact Metrics

January 2018 - December 2022

Businesses funded	200+
BIPOC-owned businesses	31%
Women-owned businesses	53%
Increase in women-owned businesses funded in 2022	28%
Increase in BIPOC-owned businesses funded in 2022	104%
Businesses in Low-Moderate Income communities	43%

Upstart Co-Lab’s Role

An impact investing colleague at a family office introduced Upstart Co-Lab to Honeycomb Credit in 2020 after recognizing the significant number of creative economy businesses on the platform. Upstart worked with Honeycomb to develop their Loan Participation Fund vehicle and four Upstart Member foundations – including the A.L. Mailman Foundation – made loans through an LPF in support of small creative economy businesses seeking debt financing through the Honeycomb platform. Additionally, Upstart alerted Members to the opportunity to invest in the company Honeycomb Credit itself and invited the team to present to the Member Community in February 2022. Upstart supported the A.L. Mailman Foundation to consider an equity investment in Honeycomb Credit’s 2022 seed extension round.