

# VISA Foundation

## Mission

Visa Foundation seeks to support inclusive economies where individuals, businesses and communities can thrive. Through grant making and investing, Visa Foundation prioritizes the growth of gender diverse and inclusive small and micro businesses. The Foundation also supports broader community needs and disaster response in times of crisis. Visa Foundation is registered in the U.S. as a 501(c)3 entity.

## Commitment

At Visa Foundation, we:

### Work with a Collective Vision Observe, listen, reflect, then assist.

We believe that genuine and transparent relationships amongst our team and partners allow us bring a diversity of viewpoints, skills, and resources to bear on global challenges.

### Challenge Systemic Barriers Envision how much further we must go.

We seek to mitigate systemic barriers facing small businesses, particularly those led by women or people from underrepresented groups, in order to help ensure a more inclusive global economy.

### Champion Scalable Solutions Begin with the end goal in mind.

We strive to support partners advancing innovative solutions and promote initiatives which contribute to a more equitable small business ecosystem.

## Strategic Focus

Small businesses account for a significant proportion of enterprises worldwide and contribute up to 50 percent of global employment.<sup>1</sup> Despite their immense contribution, businesses owned or led by women and historically underrepresented communities continue to be disproportionately excluded from financial resources and have been severely affected by the economic turmoil caused by Covid-19. The International Finance Corporation estimates a financing gap of \$320 billion for formal sector women entrepreneurs in emerging markets,<sup>2</sup> and less than 3% of VC capital in the US went to women entrepreneurs in 2020, with Black and Latinx women founders receiving less than 1%.<sup>3</sup>

In response to these important challenges, in April 2020, Visa Foundation launched the Equitable Access

Initiative, a five-year, \$200 million strategic commitment to support gender diverse and inclusive small businesses around the world. As a part of the initiative, Visa Foundation will provide \$60 million in grants and \$140 million in impact investments with a gender and diversity lens across the capital continuum.

The Foundation seeks to address structural and systemic barriers in the financial ecosystem. Ultimately, Visa Foundation provides catalytic funding to partners advancing access to finance and business support for small businesses.

To ensure gender and diversity-related outcomes, Visa Foundation is focused on the following:



### Entrepreneurs

Increased flow of capital and support to gender diverse and inclusive small businesses



### Employees

Increased employment through formal and decent jobs created by small businesses



### Investors

Increased supply of capital managed by gender diverse & inclusive investment teams



### Eco-System Actors

Increased tools and resources to address social and structural barriers faced by underrepresented small businesses

<sup>1</sup> "World Bank SME Finance." World Bank. [www.worldbank.org/en/topic/sme/finance](http://www.worldbank.org/en/topic/sme/finance).

<sup>2</sup> "Bridging the Gender Gap." IFC.org. [www.ifc.org/wps/wcm/connect/news\\_ext\\_content/ifc\\_external\\_corporate\\_site/news+and+events/news/bridging-gender-gap](http://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/bridging-gender-gap).

<sup>3</sup> "Crunchbase Diversity Spotlight 2020: Funding to Black & Latinx Founders." Crunchbase. [about.crunchbase.com/wp-content/uploads/2020/10/2020\\_crunchbase\\_diversity\\_report.pdf](https://about.crunchbase.com/wp-content/uploads/2020/10/2020_crunchbase_diversity_report.pdf)

"Women-Led Startups Received Just 2.3% of VC Funding in 2020." Harvard Business Review. [hbr.org/2021/02/women-led-startups-received-just-2-3-of-vc-funding-in-2020](https://hbr.org/2021/02/women-led-startups-received-just-2-3-of-vc-funding-in-2020)

"The State of Black & Latinx Women Founders." Project Diane. [www.projectdiane.com](http://www.projectdiane.com)

\*small business(es) = includes both micro and small businesses, based on local context and definitions

# Grants and Investments

Visa Foundation believes that creating a capital continuum for small businesses is crucial for their sustainability and growth. As such, the Foundation aims to increase equitable and efficient access to capital at different stages of business growth, support gender diverse and inclusive small businesses, and promote inclusive economic growth. An additional goal is to influence the sector broadly in order to help move gender lens investing from niche to the mainstream.

The Foundation's commitment to investing \$140 million into intermediaries and funds globally is primarily focused on emerging markets, with a gender lens across the entire portfolio from small business borrowers up to venture capital partners. The goal is to increase the number of women who control capital, the number of women entrepreneurs who can access that capital, and the number of women who benefit from those businesses as employees or customers.

Through its grant-making, Visa Foundation partners with organizations that provide capital, capacity building and support services to gender inclusive and diverse small businesses. Additionally, the Foundation uses grant funding to unlock barriers that prevent the flow of investment capital from reaching gender diverse small businesses.

## Equitable Access Partnerships Include:



Investing in rural people

IFAD is designing a network of innovative and integrated agribusiness hubs across Africa to build entrepreneurial capacity and technical/managerial skills for rural youth.



TechnoServe is working to strengthen the gender diversity of local farmer cooperatives and their institutional capacity to make them resilient to economic shocks.



Village Capital's accelerators intend to close the financing gap facing underserved entrepreneurs in Latin America, with a focus on food and agriculture innovation.



Since its launch in 2017, Visa Foundation has been a proud partner of Women's World Banking, committing up to \$20m over the course of five years to supporting their strategy of closing the gender gap in financial inclusion for women-led small businesses.

**While Visa Foundation has long prioritized gender and diversity, the events of 2020 in the U.S. have intensified this focus. To target the issue of racial equity more directly, the Foundation has funded three organizations in the U.S.:**

## "BLACK. •AMBITION"

An initiative focused on Black and Latinx entrepreneurs launched by producer and entrepreneur Pharrell Williams, which partners with all Historically Black Colleges and Universities.



LISC's program goal is to increase small business resiliency for women entrepreneurs of color across the U.S. through their network of business development organizations.

## VC+NCLUDE

A selective education and training program designed to create a platform of best in-class Black, Indigenous, and People of Color (BIPOC) and women fund managers.

## Bay Area Programs

Beyond grantmaking through the Equitable Access Initiative, the Foundation's partnerships also include organizations addressing broader community issues such as homelessness and poverty in the San Francisco Bay Area. Key partners addressing these issues include:

