

ON SCREEN TEXT: Open for Business, Wells Fargo's \$400 Million Small Business Recovery Effort, Video News Release, July 9, 2020

ON SCREEN TEXT: VNR Contents: NAT/SOT PKG, Small Business Broll, SOT, English – Jenny Flores, Head of Small Business Philanthropy, Wells Fargo Foundation, SOT Spanish, Jenny Flores, Head of Small Business Philanthropy, Wells Fargo Foundation, SOT Ron Busby, President and CEO, U.S. Black Chambers, Inc, SOT Mark Vitner, Senior Economist, Wells Fargo Securities, LLC, Open for Business Motion Graphics English and Spanish, Wells Fargo and the PPP Motion Graphics English and Spanish

ON SCREEN TEXT: NAT/SOT PKG, July 9, 2020

>>Mark Vitner: Prior to the pandemic, small business optimism was the highest that we had ever seen. And then the virus hit and the bottom fell out. And we went from seeing the best indicators that we've ever seen to some of the worst.

>>Ron Busby: Roughly 450,000 businesses were closed between the months of February and April. Those were all black businesses that employed other black employees, had customers, clients, banking relationships as well as vendors.

>>Jenny Flores: We recognize that there's an urgency to the need that small businesses are facing today. Wells Fargo is launching the Open for Business Fund, which is a recovery effort to support small businesses. And this is a 400 million dollar effort designed to do three things. One is to provide capital and cash relief to small businesses that are hurting. The second thing is to provide technical assistance so that they have the education and coaching necessary to be able to pivot their business models in this very difficult economic environment. And then third, it's designed to be able to provide recovery and resiliency support.

>>Mark Vitner: This assistance is not only important to the small businesses that are being helped, but it's important to the economy as a whole. We've heard over and over again about how small businesses create a disproportionate share of the new jobs in the economy. That is absolutely true. And we are not going to see a self-reinforcing, full fledged recovery without small business.

>>Jenny Flores: Wells Fargo decided to take the PPP fees, which could have been profit and donate them to small businesses. Because, I think there is no time more urgent than now to make an investment in the economic recovery of our community.

>>Ron Busby: Of the 2.6 million black businesses that we own and operate, literally 2.5 million of them have no employees. They do have growth. They do have contractors. They have 1099 employees. But they were not able to participate in the Payroll Protection Plan because of the fact that they did not have payroll.

>>Mark Vitner: In some ways, this program will provide a second wind to the PPP because the help that we're providing to nonprofits and community development organizations is likely to help a number of small businesses that missed out on the original program.

>>Jenny Flores: The fund is targeted mostly towards minority communities because they have been the most disproportionately impacted. We're seeing that, you know, over a third of Latino owned businesses and 40% of African-American owned businesses closed. And we are hoping that through this fund, we can reopen some of those businesses and help them stay relevant and help them succeed on a long term basis.

>>Ron Busby: Programs such as the one that Wells Fargo is introducing will allow those two million black owned businesses to have access to the capital that they need to ensure that they can grow and when they grow, if each one of those farms hired one additional employee, then we won't have a conversation about unemployment in the black community across the country.

>>Jenny Flores: We know this, investing in small businesses has a multiplier effect in communities because of the job creation, and then real bottom economic benefit that it has to local government and in cities, states all the way up to the federal level. It just has a massive impact on our country. And it's, for me, a really proud moment to be able to be behind this initiative and collaborating with nonprofit organizations that are incredibly talented at providing quality services to small businesses. So it's a wonderful time to be able to put this money to work. And we're just very excited to see the positive outcomes that it will create.

ON SCREEN TEXT: Small business broil, This video shows small businesses that were previously supported by nonprofits that Wells Fargo Supports, TRT – 2:00, July 9, 2020

ON SCREEN TEXT: Jenny Flores, Head of Small Business Growth Philanthropy, Wells Fargo Foundation, Discusses Wells Fargo's Open for Business Fund, TRT – 4:15, July 9, 2020

>> Jenny Flores: Wells Fargo is launching the Open for Business Fund, which is a recovery effort to support small businesses. And this is a \$400 million effort designed to do three things. One is to provide capital and cash relief to small businesses that are hurting. The second thing is to provide technical assistance so that they have the education and coaching necessary to be able to pivot their business models in this very difficult economic environment. And then third, it's designed to be able to provide recovery and resiliency support as we go into the phase where they're navigating new choices, that they have the ability to build sustainable business models. So we see this as an effort to provide an infusion of much needed support to the small business community.

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are incredibly talented at providing quality services to small businesses. So it's a wonderful time to be able to put this money to work. And we're just very excited to see the positive outcomes that it will create.

There's a wonderful component of the Open for Business Fund that will allow Wells Fargo to work hand-in-hand with our non-profits over a three year period whereby we will make investments into programs and in return we will have access to the data that will help inform how small businesses are recovering, what the challenges that they're facing are, how they are finding solutions and innovating to be able to build sustainable businesses. And all of this information will be captured by the Wells Fargo Foundation. And the learnings and insights that will be generated from that data. Are certainly going to be shared with the community, but will also allow us as a company to be responsive to those needs and think about how we can continue to serve small businesses through our products and services. So this investment is on a long term basis, and it is meant to allow Wells Fargo just a deeply engaged in this effort in collaboration with a part nonprofit partners, as well as the small businesses that we serve.

So the Wells Fargo Open for Business Fund is really unique compared to what other businesses and other corporations have announced in recent weeks. While there is a lot of support that is being directed towards community nonprofit lenders, a lot of that is being structured as debt. The uniqueness of the Wells Fargo strategy is that we are going to offer our investments as 100 percent grants, which means that as these dollars go to the nonprofit lenders, it becomes an asset on their balance sheet. And when that happens, they are able to actually raise additional capital. There's a lever effect on our dollars at minimum, three to one that we are helping to generate for the support of small businesses. So it's an incredible opportunity for nonprofit lenders, CDFIs, to get access to these dollars that are very, very hard to get in this time. In fact, it will allow them to be in a position to access more debt down the line. But without the Wells Fargo dollars, that would be very difficult.

ON SCREEN TEXT: Jenny Flores, Directora de Filantropía para el Crecimiento de las Pequeñas Empresas, Wells Fargo Foundation, habla sobre el Open for Business Fund (Fondo 'Abiertos al Público') de Wells Fargo, Duración total del video – :39, 9 de julio de 2020

>>Jenny Flores: Estoy muy orgullosa de este programa porque Wells Fargo va a invertir 400 millones de dólares para apoyar a empresas pequeñas. Tenemos un enfoque en empresas propiedad [de] minorías. Este programa tiene tres elementos importantes: vamos a proveer capital, asistencia técnica y apoyo para que los empresarios puedan tener éxito en el futuro. Este programa va a tener un impacto positivo en la economía. Vamos a crear nuevos trabajos y apoyar a nuestros empresarios pequeños.

ON SCREEN TEXT: Ron Busby Sr, President and CEO, U.S. Black Chambers, Inc, Discusses Wells Fargo's Open for Business Fund, TRT – 2:53, July 9, 2020

>>Ron Busby Sr: Roughly 450,000 businesses were closed between the months of February and April. Those were all Black businesses that employed other Black employees, had customers, clients, banking relationships as well as vendors. And so for our communities, we had been hit the hardest. We have about 40% of all Black business revenue come from five industries. And those were the five industries

that were hit the hardest. So it was expected that Black businesses were going to be unequally hit. And we are facing it throughout this pandemic.

Opportunities to partner with Wells Fargo in these times is really providing the resources that we need to reopen our businesses, reopen our communities and have sustainability, and long term success. We know that Black businesses hire Black people. And when we support Black businesses we're ultimately supporting the entire Black community across the country.

When Wells Fargo creates a program such as this, it truly hits to the core of what the U.S. Black Chamber has been discussing, well, last 11 years. And that is equity as it relates to small owned businesses. We know that the fastest way to improve conditions for any community is through entrepreneurship. And so this program that Wells Fargo is prioritizing and has created really allows us to create successful long term entrepreneurs in our communities as well as around the country.

The number one concern in Black America today is unemployment. There are roughly two million unemployed Black people in the United States today. That's the bad news. The good news is there's over two million Black owned businesses today. So programs such as the one that Wells Fargo is introducing will allow those two million Black owned businesses to have access to the capital that they need to ensure that they can grow and when they grow in each one of those firms hires one additional employee. And we will have a conversation about unemployment in the Black community across the country. That's not new policy. That's not new elected officials. That is truly about African-Americans spending money with African-American owned businesses and through the relationship with Wells Fargo. And the program that they're creating, it will allow us to have the resources that we need to be able to hire those additional people. So we see this as a program that's not just good for the businesses in our communities, but for our communities at large.

ON SCREEN TEXT: Mark Vitner, Senior Economist, Wells Fargo Securities, LLC, Discusses Wells Fargo's Open for Business Fund, TRT – 3:08, July 9, 2020

>>Mark Vitner: Well, prior to the pandemic, small business optimism was the highest that we had ever seen, and it was. And that was true of virtually every metric that we measure. Overall confidence. Cash flow. Customers were paying on time. We saw that credit was fairly easy to get and lenders were very aggressive about providing it. And then the virus hit and the bottom fell out. And we went from seeing the very best indicators that we'd ever see to seeing some of the worst. And suddenly there were a lot of worries about credit. There were a lot of worries about what was going to happen to business and how deep and how prolonged this recession was going to be. So we had the best of all worlds to the worst of all worlds, all in the span of about three months.

Some of the early data that we've looked at has shown that about 22 percent of small businesses have closed across the country and that impact has been disproportionately among minority owned firms. And firms that were owned by African-Americans have seen the sharpest contraction. But we've also seen in the Latin community, women owned businesses, Asian owned businesses. They've all suffered disproportionately

Providing help to small businesses as important to small businesses, And it's also important to the economy as a whole. We've heard over and over again how small businesses account for a

disproportionate share of the nation's job growth. And that's absolutely true. Unfortunately, from where we are right now, small businesses have accounted for a disproportionate share of the job losses in this recession. And that's been particularly true among the smallest of small businesses, those that tend to employ just one to three workers.

This assistance is not only important to the small businesses that are being helped, but it's important to the economy as a whole. We've heard over and over again about how small businesses create a disproportionate share of the new jobs in the economy. That is absolutely true. And we are not going to see a self-reinforcing, full fledged recovery without small business. Another encouraging aspect of this program is that it's going to help small business organizations, it's going to help various nonprofits that have extensive experience working with small businesses, and that's going to become vitally important as the recovery progresses.

As challenging as this environment is, the recovery appears to have already begun. We see that in the most recent data from our Small Business Survey, which shows a nice bounce back from the lows that we hit in April. But I think that small business owners are well aware of the challenges that are ahead. And that's why it's so important that we see continued help coming from nonprofits, community development organizations and private lenders like Wells Fargo.

ON SCREEN TEXT: Motion Graphics, Open for Business Motion Graphics English and Spanish, Wells Fargo and the PPP Motion Graphics English and Spanish, July 9, 2020

ON SCREEN TEXT: Wells Fargo is donating all gross PPP processing fees, approximately \$400 million, to support small businesses through, Access to capital, Training and support services, Long-term recovery

ON SCREEN TEXT: Wells Fargo and the PPP, 179,000 loans funded, \$10.1 billion provided to small businesses, \$56,000 average loan size, More than 60% \$25,000 or less, \$84% of companies employed <10 people

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