

Understand Your Community

What is it?

Understand Your Community draws insights from secondary data and an optional survey to help foundation and community leaders better understand the local and regional economy, and the demographic, employment and income trends for the community. This easy-to-use, easy-to-understand tool helps a foundation – working with trustees, staff, and community partners – explore and establish investment leadership priorities: broad areas where foundation capital might make a difference.



What value does it provide?

As a foundation broadens its toolset to include local impact investing it inevitably must **reconsider how it deploys its capital** to meet its goals. Community needs and opportunities that don't lend themselves to traditional grantmaking solutions (i.e. job creation, wealth building, affordable housing, etc.) require fresh exploration by the foundation to assure the foundation is achieving the greatest impact possible. Understand Your Community profiles 25-30 key community indicators so a foundation can translate its mission to an achievable and difference-making local investment strategy.

When is Understand Your Community the *right* solution?

Understand Your Community helps frame high-level strategic conversations for a foundation as it considers pursuing local impact investing. Like a community dashboard, it **helps a foundation compare its region to other geographies**. It is most useful *before* a foundation selects a local investment strategy, a sector, or a financial vehicle for its local investments. It is also useful for foundations with limited experience in economic development.

How has it been used most effectively?

Prior to mapping investment opportunities, a foundation should consider conducting an Understand Your Community profile to focus their sector assessments. Understand Your Community can also help a foundation build board, donor and community buy-in for a local investment strategy by engaging key stakeholders in early discussions around key community needs – something that can be much more difficult later in the process when specific investment deals arise.

How can I learn more about LOCUS?

To learn more about LOCUS' solutions and tools, please contact **Sydney England** at sydney@locusimpactinvesting.org or at 804.793.0985.