Impact Investing with Our CDFI

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Serving Richmond & Central VA

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President,
LOCUS Impact Investing
Session Overview

- Understanding Impact Investing
- Working with CDFIs
- Partnering Community Foundations and CDFIs
- Addressing Typical “Pain Points”
- Building a Strategy
Be thinking about our questions for you…

- How are you working with your CDFI?
- What are your success stories?
- How are you engaging donors in impact investing?
- Any cautionary tales?
Unleashing the power of endowments:
The next great challenge for philanthropy.
Darren Walker, President of Ford Foundation
Growth of Social Investing
$8.7 trillion of $40 trillion total market

Source: US SIF Foundation
Macro Trends – Place Focused Foundations

Leverage more of resources for community impact
Complement grantmaking efforts
Scale community solutions
Respond to donors (millennials)
Help capital flow to underserved communities
What is a CDFI?

- CD Bank
- CD Venture Capital Fund
- CD Credit Union
- CD Loan Fund
- CD Micro Loan Fund
How Did You Begin?

- Research & Evaluation
- Policies & Procedures
- Goal Setting
- Launch & Engagement

CFUnited
All-In The AdNet, CommA and ProNet Conference
How Did You Begin?

Community Foundation for a Greater Richmond

- Management & technology consulting B Corporation; 100% profits donated to local charities
- Invested more than $1 million in communities since 2006
- Gifted entire equity ownership to TCF (70%) and Virginia Community Capital (30%)
- Fund agreement
How Did You Begin?
Community Foundation for a Greater Richmond

- Joined local and national impact investing networks
- Partnered with MBA student for research
- Identified Board champion
- Identified ‘most likely to collaborate’ donors
How Did You Begin?
Silicon Valley Community Foundation

- Framed impact investing as another tool
- Followed the lead of our donors
- Focused on three initial offerings
  1. Social impact pool
  2. Direct impact investments
  3. Custom investment strategy
How Did You Begin?
LOCUS

Virginia Community Capital
Let's do more, together.

LOCUS
local investing for impact

A Partnership With the Center for Rural Entrepreneurship
Success Stories & Engaging Donors

- Easy Wins
- Creative Partnerships
- CF Investments
- Donor Impact
Success Stories
Silicon Valley Community Foundation

- Capital preservation pool
- Serving entrepreneurial donors
  - The Eye Fund
- Proposed place-based investment pool
Success Stories
Community Foundation for a Greater Richmond

- Deposits with CDFI
- Resource for donor learning
- Professional services contract
- Partnership to maximize donor impact
Foundation Pain Points

- Culture Change
- Policies & Procedures
- Transaction Execution
- Servicing, Monitoring & Reporting
LOCUS Addresses Foundation Pain Points

Culture Change
Policies & Procedures
Transaction
Servicing & Monitoring
Pain Points

Silicon Valley Community Foundation

- Initial skepticism by leadership
- Terminology confusion
- Internal and partner capacity
Pain Points

Community Foundation for a Greater Richmond

- Lack of dedicated internal staff for investment portfolio management
- Local awareness of impact investing is still developing
  - Confusion over category definition
  - Multiple, segmented groups with variety of goals
- Skeptical Board - Investment Committee in particular
- Timeline for impact investing program narrowing
What’s Next?
Building Your Strategy

- Identify partners
- Align to strategy
- Elevate champions
- Be flexible
## Impact Investing: A Framework

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<th>Traditional Grants</th>
<th>PRIs</th>
<th>MRIs</th>
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Returning to Our Questions for You…

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Resources From the Field

- Mission Investors Exchange
- CDFI Fund
- GIIN
- Opportunity Finance Network
- BALLE
QUESTIONS?