



Community Development Loan Funds: An Effective Partner for Local Impact Investing

- *Bonny Moellenbrock, LOCUS advisor, shares insights on how Community Development Loan Funds (CDLFs) can be used for local impact investing.*

This spring, the **Global Impact Investing Network (GIIN)** and investment firm **Symbiotics** released **The Financial Performance of Impact Investing Through Private Debt**, the latest in a series of reports that benchmark impact investing opportunities in different asset classes. For U.S. place-based investors, **Community Development Loan Funds (CDLFs)** provide a particularly promising impact investing opportunity. The report analyzed data for the past five years from 102 participating CDLFs across the country. On our blog, I've shared some of the highlights from this report relevant to foundations and others interested in place-based investing. – [Read More](#)



Community Development Financial Institutions (CDFIs) are mission-driven bodies that serve communities in need. **CDFIs** are the most common type of **CDFI**.

LOCUS FOCUS

LOCUS at the United Philanthropy Forum. **Teri Lovelace, Don Macke** and **Travis Green** joined regional and national philanthropic serving organizations in Boston for the largest ever **United Philanthropy Forum Annual Conference**.

The forum brought together powerful voices in philanthropy. Artist **Titus**

Kaphar, scholars **Elizabeth Hinton**, **Ibram Kendi**, and **Richard Rothstein**, and foundation leader **Grant Oliphant** encouraged philanthropy to double-down on efforts to promote racial equity, diversity and inclusion. Throughout the conference, several speakers identified impact investing as a way to expand their mission-aligned philanthropic practices.



Pictured: **Don Macke**, LOCUS Senior Vice President and Co-Founder, **Center for Rural Entrepreneurship**.

LOCUS at BALLE Fellows Immersion. LOCUS Senior Vice President, **Deb Markley**, participated in her second **BALLE** Fellowship Immersion in Santa Fe, NM. Fellows shared their work building more sustainable, equitable local economies, and were introduced to a host of amazing work experiences, including a tour of **Meow Wolf**, a 200 artist collective and B Corporation which provides an interactive arts experience.

LOCUS in Central Texas. LOCUS team members spent a week in Central Texas with the **Waco Foundation**, the **CLC-America**, and the **CLC-Heart of Texas** to strengthen nonprofit payday lending substitutes. **Community Loan Centers (CLCs)** are sustainable alternatives to predatory payday lending. The CLC program operates nationally by engaging reputable community-based lenders to provide access to fairly-priced small dollar loans.

Filling Funding Gaps in Rural Arkansas. In a blog for **Locavesting**, **Deb Markley** outlines what place-based impact investing looks like from the ground up, highlighting the success of **Communities Unlimited (CU)**, a not-for-profit CDFI, in deploying an **Arkansas Community Foundation** impact investment.



Pictured: A small business park in Dewitt, AR, where an abandoned fuel station once stood.

In 2016, the Foundation provided CU with a 10-year, \$1 million loan at 1.5% interest. Using the funds, CU is bringing low interest, flexible capital and technical assistance to communities throughout Arkansas. – [Read More](#)

Client Spotlight



MISSISSIPPI
Association of Grantmakers

investing to create a stronger Mississippi

Mississippi Association of Grantmakers **completed a Transfer of Wealth™ study** to engage in conversations with state lawmakers about the importance of community philanthropy and help grow community foundations throughout all of the state's 82 counties.

SOCAP18: Re-Thinking Investability in Rural America. **Social Capital Markets (SOCAP)** has announced the full list of open sessions for its **2018 Flagship Conference**. Members of the SOCAP community submitted over 427 session proposals, resulting in a record breaking final selection of 78. One of the lucky winners was LOCUS' own session, "**Re-Thinking Investability in Rural America: Models for Overcoming Capacity and Capital Absorption Challenges.**"

This October, participants will hear from four place-based practitioners on how their organizations are working to creatively deploy philanthropic assets to better address financing gaps and capital absorption obstacles unique to rural America. – [See More](#)

News From the Field

In 2017, **The Mary Reynolds Babcock Foundation** invested 100 percent of its portfolio using a mission-related strategy governed by environmental, social, and governance (ESG) criteria, increasing portfolio performance. – [Read How](#)

At least 10 impact fund managers are taking advantage of the tax incentives created by **Opportunity Zones** to jump start impact investing projects. – [Read How](#)

The Opportunity Finance Network's (OFN) President and CEO, **Lisa Mensah**, testified before the Joint Economic Committee at a hearing on "The Innovation Economy, Entrepreneurship, and Barriers to Capital Access." She spoke about how **CDFIs** work to meet the economic needs of under-resourced communities. – [Read More](#)

Virginia Community Capital's Caroline Nowery was a panelist at the inaugural convening of the **Higher Education Anchor Mission Initiative**. Participants discussed strategies for leveraging assets to support and sustain inclusive economic development in their local communities. – [Read More](#)

Barlow T. Mann, COO of the **Sharpe Group**, drafted a review of the findings from "**9 Trillion and Counting: How Charities can Tap into the Transfer of Wealth**," drafted by the **Chronicle of Philanthropy** using data and analysis by LOCUS. – [Read More](#)

In May, the **Urban Institute** released "**Investing Together: Emerging Approaches in Collaborative Place-Based Impact Investing.**" The report details how properly implemented collaborative impact investing can be used to create inclusive local economies. - [Read More](#)

At **Intentional Endowments Network's (IEN)** roundtable on Community Impact Investing, more than 70 endowment and foundation decision-makers convened to share their interest in working with local communities. – [Read More](#)

Where You'll Find the LOCUS Team

Here is where you will find members of the LOCUS team in the coming months:

Council on Foundations Inclusive

Appalachia Works

Economic Prosperity in the Midwest

Aug. 28-29 Minneapolis, MN
Bonny Moellenbrock is a speaker.

2018 ARC Summit

Sept. 12-14 Tupelo, MS
Jane Henderson is a speaker.

Annual National Conference for Growing Community Foundations

Oct. 14-16 Wichita, KS
Deb Markley and Don Macke will design and facilitate multiple sessions. LOCUS is a sponsor and speaker. Sydney England and Travis Green are participants.

SOCAP18 Flagship Conference

Oct. 23-26 San Francisco, CA
LOCUS is a speaker.

2018 CCDA National Conference

Nov. 1-3 Chicago, IL
Teri Lovelace is a speaker.

2018 BALLE Shift Capital Summit

Nov. 14-16 Asilomar, CA
Deb Markley is a participant.

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