

Join the Movement! Growing Local Impact Investors Across Indiana

LII Accelerator Cohort 3 | Beginning 2023



What does local impact investing mean to community foundations?

What is local impact investing?

Local impact investments are investments made into local companies, organizations, and funds with the intention of generating measurable community benefit alongside financial returns. Many local impact investments are made at rates of return that prioritize community impact.

How do community foundations leverage their assets for local impact?

More and more community foundations are establishing local impact investing programs using assets from their investment portfolio. As programs mature, they typically include donor solicitation and engagement. A common practice is to allocate 4-7% of permanently endowed assets to local impact investments. Donors and other foundations that wish to advance local impact investing can make a

charitable gift or grant to support the portfolio and overall program.

What does local impact investing look like in practice?

In 2019, the Community Foundation of Bloomington & Monroe County (CFBMC) began its exploration of local impact investing as an extension of its community leadership work. As Tina Peterson, CEO explains, “We were seeking guidance on the right place to invest, the right partners to engage, and the right tools to bring to the table.” A select group of staff and board volunteers worked closely with LOCUS Impact Investing to develop a local impact investing strategy unique to CFBMC’s community priorities and opportunities – including options for donor engagement. Today, CFBMC is committed to using up to 5% of its investable assets for local impact investments.

Why are Indiana community foundations adopting local impact investing practices?

Foundations large and small, rural and urban, are building local impact investing strategies and programs to increase the level of philanthropic dollars available to address community opportunities and needs. There is a gap between the need for capital and what existing capital providers will invest. Philanthropic dollars are well positioned to fill that gap in a way that considers equitable access and impact, social and financial return, and flexible terms other investors may not consider without incentive. **Let's play out the potential scale of this impact in Indiana.**

94 community foundations committing

5% of assets could bring

\$200M of capital back to Indiana



"We see this as the **next phase of community leadership** and growth and maturity of the community foundation."

Dawn Brown,

President, Community Foundation of Grant County

"We are inspired by our members' commitment to **accelerate growth** of local impact investing across Indiana."

Amy Haacker,

Vice President of Community Foundation Programs, Indiana Philanthropy Alliance

"We are excited for the Foundation and its partners to implement a local impact investing strategy that **fits our mission and aligns with** Wabash County's Imagine One 85 comprehensive plan."

Sam McFadden,

Director of Operations, Community Foundation of Wabash County

How are LOCUS & IPA partnering to support Indiana communities?

To support a growing movement of foundations looking to create real, community-based impact, LOCUS Impact Investing and Indiana Philanthropy Alliance are partnering for a third year on the Indiana Local Impact Investing Accelerator. This 10-month capacity building intensive is designed for community foundations ready to embrace their role as "investor" and realize the full potential of their philanthropic assets to build local wealth and improve communities across Indiana.

The Accelerator provides the "how to" of local impact investing in a supportive and facilitated setting. Participants are encouraged to test strategies and use a learning-by-doing approach towards a first investment. Designed as a cohort learning experience, the Accelerator also provides participants the opportunity to develop connections and relationships with peers and hear stories of progress and emerging strategies from colleagues in the field. The LOCUS team walks IPA members through educational activities and workshops in three program components: **(1) Individualize Team Coaching, (2) Guided Stakeholder & Community Engagement, and (3) Peer Learning & Action Workshops.**



What should I expect of the Local Impact Investing Accelerator?

The Accelerator content and structure is informed by years of field experience and ongoing partnerships with private and public foundations. The process is designed for teams of 5-8, including CEOs, other foundation staff, and key board members. Throughout the Accelerator, this “working group” will be exposed to the ins-and-outs of local impact investing and will be the “engine” for building an approach that is best suited for the foundation. Accelerator teams will go through:

- One, board and staff Orientation session
- Six, 90-minute working group sessions
- Three, day-long peer exchange workshops
- In-between-session exercises to engage the working group and other stakeholders in the design process
- And optional educational presentation(s) for leadership

Design

Establish Local Impact Investing Program Guidelines and Processes.

Governance

Develop a Local Impact Investing Policy and designate a Board Oversight Committee.

Implementation

Create a work plan to source, select, assess, and service investments.

Pilot Investment

Start conversations in the community to test-drive the program and identify possible opportunities.

Want to know more?



Contact **Lisa O'Mara** for more information about the 3rd Indiana LII Accelerator. Lisa can be reached at lomara@locusimpactinvesting.org.



Check out our [blog](#) and [website](#), for more of our thoughts and community foundation specific educational resources.