



# LOCAL IMPACT INVESTING ACCELERATOR



# ACCELERATING INVESTMENT IN INDIANA

# COMMUNITY FOUNDATIONS & LOCAL IMPACT INVESTING

## WHAT IS “LOCAL” IMPACT INVESTING?

Local impact investing is making investments in local companies, organizations, and funds with the intent of creating community impact and some financial return. Many local impact investments are made at rates of return that prioritize community benefit. While there are many kinds of impact investments, for community foundations whose mission is community betterment, there is value in building investing programs to focus on **local impact investments**.

## HOW DO COMMUNITY FOUNDATIONS LEVERAGE THEIR ASSETS FOR LOCAL IMPACT?

More and more community foundations are establishing local investing programs using assets from their investment portfolio. A common practice is to make a minimum commitment – typically 3%-10% – of investable assets to local impact investments. As programs mature, community foundations often develop active donor engagement strategies, soliciting gifts and grants from both existing and new donors, to support growth of the portfolio and bring more impact capital to bear.

## 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 FOUNDATIONS DOING THIS?

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.



If every Indiana community foundation were to commit just 5% of its assets, they would bring home as much as **\$200 million to local economies across the state.**



**“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 believe success will encourage others to take a chance on community investment projects leading to joint ventures with other community partners.”**

*Mark Baird, Executive Director, Tipton County Foundation*

# ACCELERATING LOCAL IMPACT INVESTING ACROSS INDIANA

To support a growing movement of foundations looking to create real, community-based impact, LOCUS Impact Investing and Indiana Philanthropy Alliance are partnering to produce 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 will provide 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 will also provide participants the opportunity to develop connections and relationships with peers and hear stories of progress and emerging strategies from colleagues in the field. To do this, the LOCUS team will walk IPA members through educational activities and workshops in three **program components**:



## COMPREHENSIVE TEAM COACHING

**Create** a strategy, program structure, implementation tools, and materials utilizing a working group model, comprised of board and staff.



## GUIDED STAKEHOLDER & COMMUNITY ENGAGEMENT

**Engage** stakeholders in ground-truthing conversations to ensure that the local impact investing strategy meets community priorities and institutional goals.



## PEER LEARNING & ACTION WORKSHOPS

**Build** connections with experienced foundation impact investors, explore local investing practice, build skills, and seek peer guidance.

# WHAT CAN I EXPECT FROM THE ACCELERATOR?

The Accelerator is designed for teams of 5-8, including CEOs, other foundation staff, and key board members. This “working group” will participate in a series of virtual meetings, workshops, and interactive exercises including:

- Pre-launch site visit and orientation
- Six, 90-minute working group sessions over a 10-month period
- Three, day-long peer exchange workshops
- In-between-session activities for the working group to support program design

The Accelerator content and structure is informed by years of field experience and ongoing partnerships with private and public foundations. The content and tools are developed by LOCUS and delivered by our coaches and colleagues in the field. Accelerators are underway in Kansas and Indiana generating expected local impact investing commitments of \$20+ million – a number that is growing with each new Accelerator launch.

Want to know more? Contact **Travis Green** for more information about the LOCUS Impact Investing Accelerator.



## 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.*



# LOCUS

*local investing for impact*

## CONNECT WITH US

At LOCUS, we support foundations and mission-aligned organizations as they develop their place-based impact investing practice and capacity. For more information about impact investing and what LOCUS can do to help, connect with us online through our email, website, newsletter, or social media.

