

Expert Insights: Integrated Capital Approaches to Racial Equity

Wednesday, September 9th | 10-11:30 am



SPEAKERS



**SABRINA
WU**
MODERATOR

EAST BAY
COMMUNITY
FOUNDATION



**JAMES
CUTLER**

SILICON
VALLEY
COMMUNITY
FOUNDATION



**ELENA
CHAVEZ
QUEZADA**

THE SAN
FRANCISCO
FOUNDATION



**DEB
NELSON**

RSF SOCIAL
FINANCE



Bay Area
Asset Funders Network

Mission

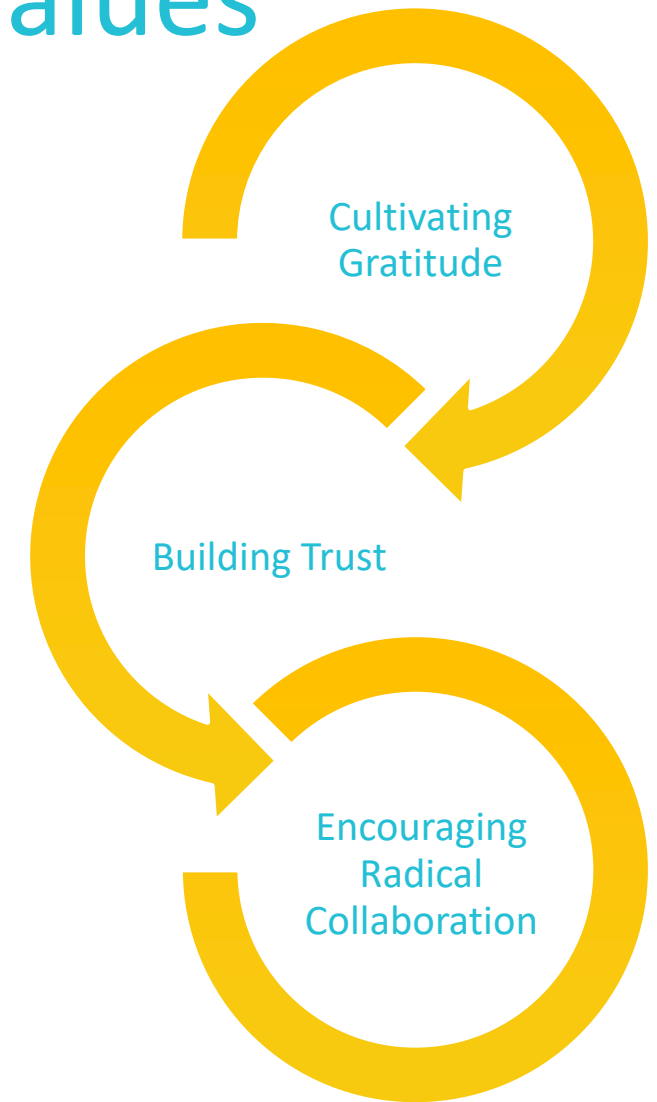
To catalyze transformation by circulating capital for a more just, regenerative, and compassionate world.



We achieve our mission by:

- Offering investors and donors dynamic ways to align their money with their values.
- Connecting entrepreneurs with diverse forms of capital.
- Empowering leaders and advancing innovations in the field of social

Values



About Us

Since 1984, RSF has made over \$750 million in loans and grants, placing us in the top tier of social finance organizations worldwide.

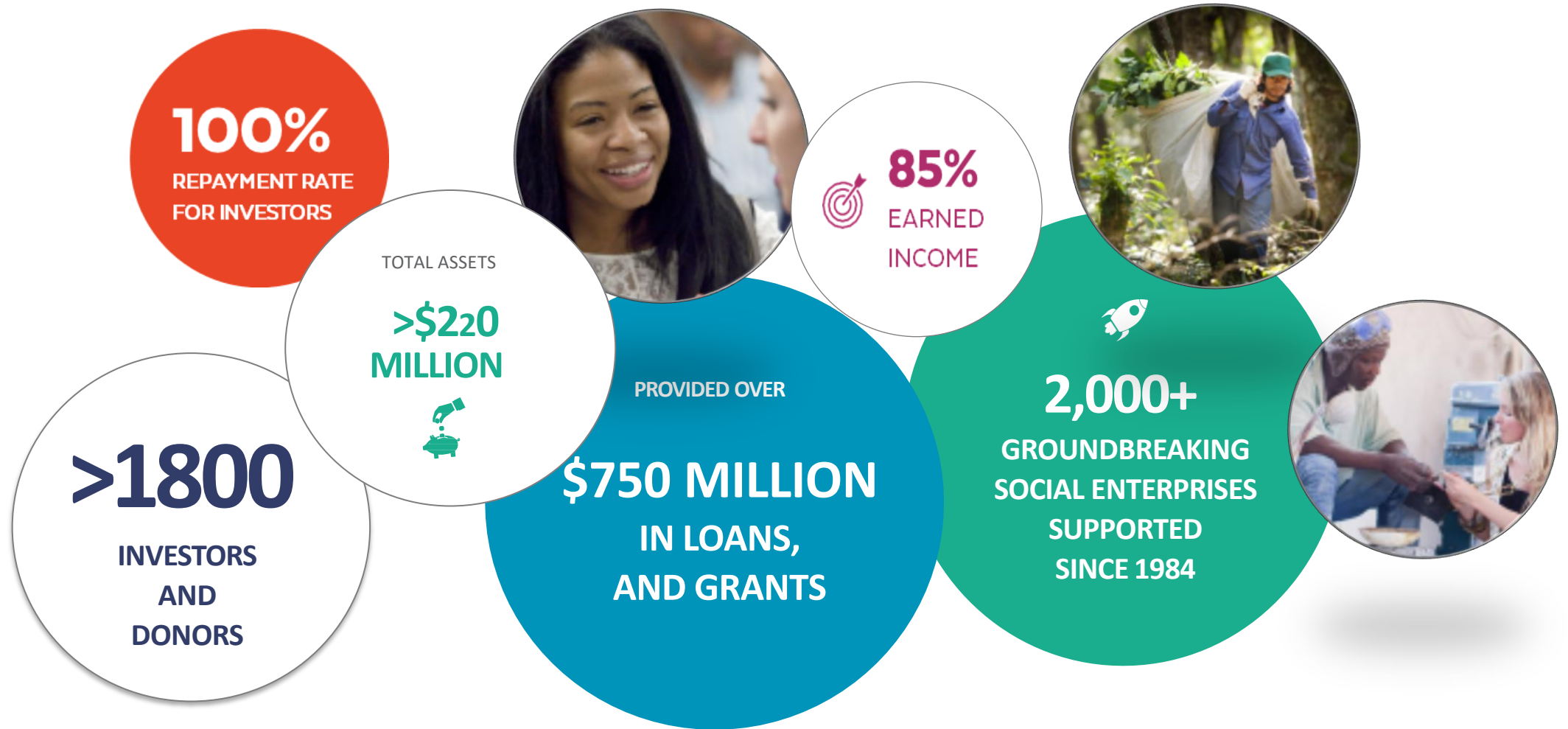
We have over 2,000 clients who are creating deeply positive impact by helping us redirect the flow of money into local markets, and support communities often damaged by exploitation and resource depletion.

We use an integrated capital approach to fund strategies and enterprises that are working to solve complex social and environmental problems.



RSF Social Finance staff

RSF by the Numbers



RSF Offerings

Invest

Social Investment Fund
Regenerative Economy Fund

Give

Donor Advised Funds
Thematic Collaboratives
Money to Transform

Get Funding

Loans
Grants
Guarantees



Integrated Capital Definition

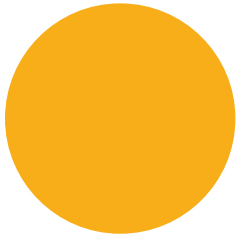
Integrated capital is the coordinated use of different forms of financial and social capital to support strategies and enterprises that are addressing complex social and environmental problems.

Integrated capital is the ability to provide different forms of capital to a client:

- At one point in time
- Over a period of time
- In intentional collaboration with other partners and funders

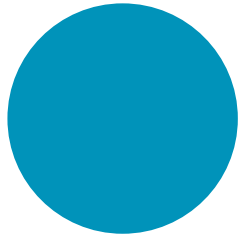


Integrated Capital Tools



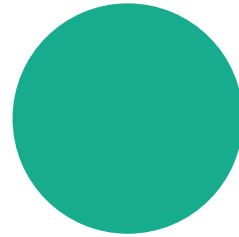
LOANS

Senior-secured loans
Unsecured loans
Loan participations



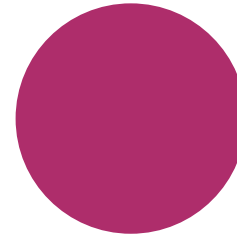
LOAN GUARANTEES

RSF guarantees
Third-party
guarantees



GRANTS

Technical assistance
Third-party grants



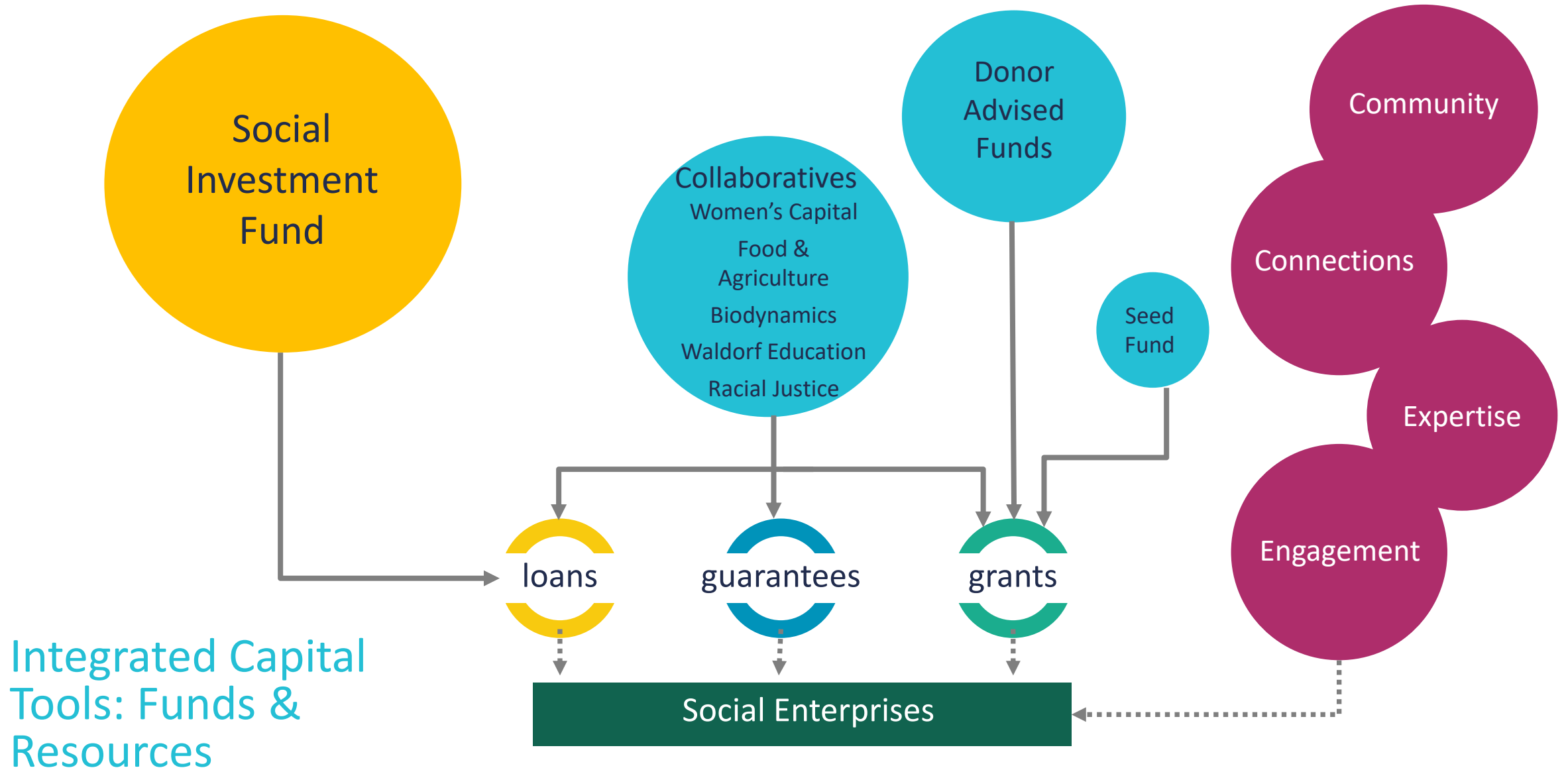
NON-FINANCIAL RESOURCES

Network connections
Advisory support

Investment Funds

Philanthropic Funds

Non-Financial Resources



RSF Offerings: Invest

Social Investment Fund

- Minimum investment: \$1,000
- 90-day term
- Annual interest rate: .5%
- Supports social enterprises through RSF's senior secured loan program
- Focus areas: food & agriculture, education & the arts, climate & environment
- Track record: Since 1984, 100% repayment to investors (principal + interest)



Who It's For

Anyone who seeks to know where their money is working and wants to support mission-driven organizations

Why It's Unique

All participants have an opportunity to meet other RSF investors and borrowers and have a say in the setting of the interest rate via quarterly, community pricing gatherings

RSF Offerings: Give

Collaboratives

- Minimum: \$100
- Collaboratives use philanthropic funding to provide enterprises with diverse forms of capital — loans, grants, and guarantees — along with the resources and connections they need to grow
- Collaboratives:
 - **Women's Capital** – funds women-led social enterprises that support women and girls
 - **Food & Agriculture** – strengthens regional food systems, healthy soils, and sustainable supply chains
 - **Biodynamics**– accelerates the growth of organizations focused on the biodynamic movement
 - **Waldorf Education**– supports the continued evolution of Waldorf-inspired programs
 - **Racial Justice** – supports social enterprises led and owned by BIPOC entrepreneurs

Who It's For

Individuals and foundations that would like to support enterprises by utilizing RSF's integrated capital approach

Why It's Unique

Provides creative, flexible financing and capacity building to early stage social enterprises

Women's Capital Collaborative

A Philanthropic Initiative to
Support Women Entrepreneurs

A woman with dark hair, wearing a black t-shirt and green overalls, is standing in a greenhouse aisle. She is reaching up to harvest a tomato from a vine. The greenhouse is filled with rows of tomato plants, many of which have ripe, red tomatoes. A green plastic crate filled with harvested tomatoes sits on a small cart with wheels in front of her. The background shows the structure of the greenhouse and more rows of plants.

The Challenge

Women entrepreneurs are routinely left behind when it comes to funding. On average, women start businesses with half as much capital as men, despite women-led enterprises exhibiting faster rates of growth.

A Harvard Business School study found that, even when business pitches were identical, men were 60% more likely to be chosen to receive funding. Early growth stage capital is especially hard for women to raise.

A photograph of three women in a bright, indoor setting, likely a meeting or collaborative workspace. On the left, a woman with dark skin and curly hair is partially visible, wearing a colorful striped shirt. In the center, a woman with long, wavy blonde hair and a denim shirt is smiling and looking towards the right. On the right, a woman with short dark hair, wearing a black sleeveless top and large red earrings, is speaking and gesturing with her hands. The background features large windows with bright light streaming in.

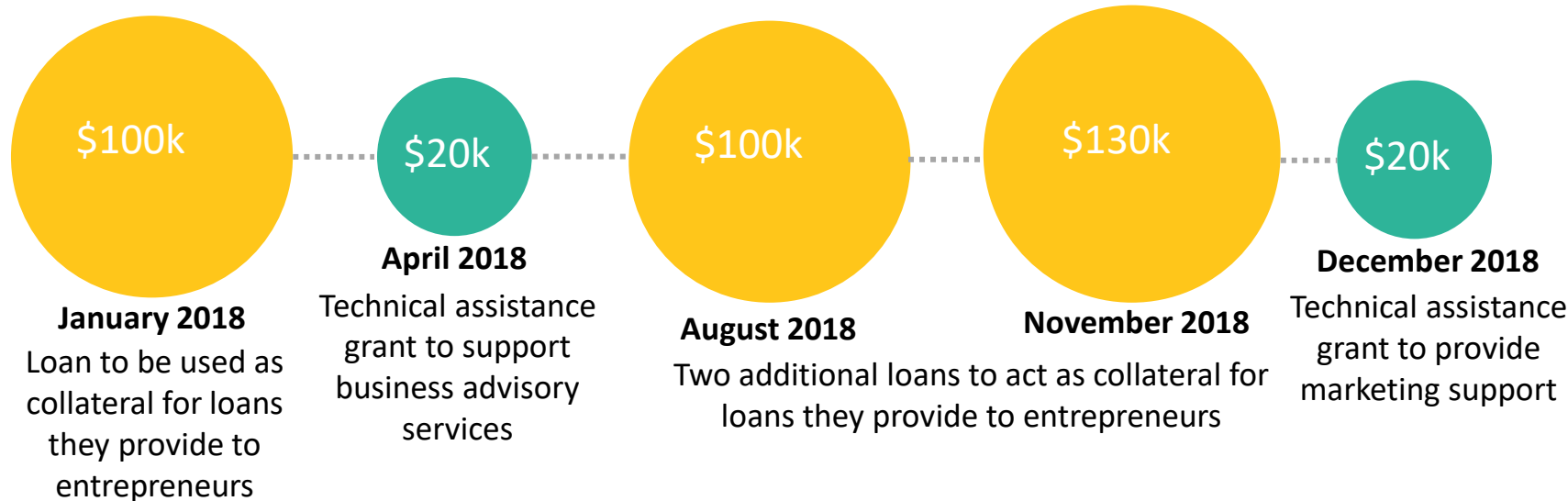
The Solution

Through our Women's Capital Collaborative, we partner with women entrepreneurs to provide them with crucial growth capital when they need it most. This philanthropic initiative uses an integrated capital approach to fund women-led social enterprises. More than 75% of our funding supports women of color.

Integrated Capital in Action

We partnered with **The Runway Project** to support their pilot program, Runway Project Oakland. Their mission is to catalyze African American wealth through small business ownership and standardize the way friends-and-family capital is deployed to African American, primarily women, entrepreneurs. They also provide culturally relevant technical support and a community of mentors.

Funding provided by the Women's Capital Collaborative:



Stevonne Ratliff, founder of Beija Flor Naturals and Runway Project Oakland borrower



Selection Criteria

- Owned and/or led by women¹
- Support women and/or girls in at least one of the following areas: health, economic empowerment, education, personal safety, and legal rights²
- Committed to advancing women in their organization
- Collaborative, transparent, inclusive, and prioritize long-term benefit to stakeholders
- Based in the United States

¹ “Women” includes trans-women and people whose gender is non-binary

² Research from The Center for High Impact Philanthropy found five key dimensions crucial to women flourishing.¹⁷

Examples of Enterprises Funded



Eu'Genia Shea

Employs and uplifts Ghanaian and American women through the sourcing and processing of shea butter and offers financial literacy training

Brooklyn, NY



Kreyol Essence

Provides economic empowerment to Haitian women and environmental restoration in Haiti through the creation of castor oil

Miami, FL



Spotlight: Girls

Uses the arts to educate, engage, and inspire girls, applying a social-emotional learning approach

Oakland, CA



Participatory Grantmaking

Democratization, collaboration, and community wisdom

Shared Gifting Circles – grantees have ownership, distribution and allocation authority

Flow Funding – new funders are entrusted with grantmaking decisions

Integrated Capital

Integrated Capital is the intention and process of coordinating all capital resources within SVCF to be working towards the same strategic goals.

- Financial Capital – Grants, Investments and Banking
- Human Capital – Thought Leadership, Educational Events and Convening
- Social Capital – Community Influence, Partnerships and Policy & Advocacy
- Physical Capital – Facilities and Suppliers

Using all forms of capital in a coordinated manner to achieve greater community impact and donor engagement in alignment with strategic goals.

Examples of Integrated Investment Capital at SVCF

| Strategy | Grantee | Grant | Purpose | Follow-on Impact Investment | Purpose |
|---------------------|-----------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|
| Immigration | Self Help Federal Credit Union & Center for Responsible Lending | Over \$1 million since 2009 | Support financial education, wealth-building, DACA lending and Bay Area expansion including new East San Jose branch | \$8 million in cash deposits | Provide long-term capital for lending to low income communities |
| Financial Stability | California Reinvestment Coalition | \$60,000 | Study of displacement in Silicon Valley and advancing new policies | \$8 million in cash deposits at Community Bank of the Bay | First bank signatory to CRC's Anti-Displacement Code of Conduct |
| Housing | Bays Future Fund | \$100,000 to BFF Policy Fund | Support inclusive policy making at state, region and local levels | \$1 million to BFF Investment Fund | Concessionary debt for housing production and preservation projects |

Assessing Impact -> Financial Capital

| Traditional Investing | | Impact Investing | | | | Traditional Philanthropy |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Traditional Investing | Responsible Investing | ESG / Sustainable Investing | Mission-Related Investments | Program-Related Investments | Recoverable Grants | Conventional Grants |
| Investments selected with little or no consideration given to social, environmental or corporate governance factors | Investments selected to avoid those with material interests in ethically or environmentally questionable products | Integration of environmental, social and corporate governance factors that may reduce risk, enhance enterprise value and benefit society | Intentional focus on high-impact solutions to societal challenges that can also generate a financial return | Intentional focus on high-impact solutions to societal challenges that typically require a subsidized rate of return to succeed | Grants in support of high-impact solutions to societal challenges that may be repaid if successful | Grants in support of high-impact solutions to societal challenges that cannot generate a financial return |
| "Financial Only" | SRI | ESG | MRI | PRI | | "Social Only" |
| Market Return | | | | Below Market Return | | No Return |

\$588 Million in Impact Investments at SVCF

- 6% of Assets in 2019, up from 3% in 2015

Donor Directed:

- **Social Impact Pool** \$73 million
- **Individually Managed Fund Program** \$183 million
- **Direct impact investments from DAFs** \$10 million
- **Supporting Organizations** \$190 million

Foundation Directed:

- **Capital Preservation Pool** \$170 million to local CDFIs
- **Endowment** \$1 million to Bay's Future Fund
- Other forms of integrated capital