



Impact Investing: A Tool to Support Economic Mobility and Community Wealth Building



Grantmakers Advancing Economic Equity

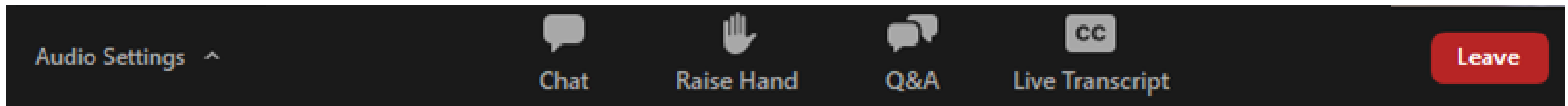
Webinar Control Panels

PARTICIPATE

Type your thoughts/questions in the **Chat BOX**

CLOSED CAPTIONS

Captions can be turned on via **LIVE TRANSCRIPT** to be viewed in real-time and will also be available in the recording afterwards





Grantmakers Advancing
Economic Equity

As the leading national grantmaker membership organization focused on advancing economic security, the Asset Funders Network engages philanthropy to confront inequities and advance equitable wealth building and economic mobility.

INFORM | CONNECT | INFLUENCE | BUILD

Issue Areas

AFN works with its members across seven issue areas:

“AFN’s work on closing the women’s wealth gap refocused the national conversation **from women’s income to structural and systemic barriers to their wealth building.**”

ANA OLIVEIRA
President & CEO
The New York Women’s Foundation



**Business
Ownership &
Capital Access**



**Post
Secondary
Education**



**Employment:
Benefits
& Income**



**Financial
Health**



Health



Housing



**The Racial and
Gender Wealth
Gap**

Today's Agenda

- AFN Welcome to the Carolinas AFN Regional Chapter
- Regional Funder Reflections: Building Our Collective Vision
- Context Setting: Impact Investing As a Tool
- Building Public-Private Partnerships to Support CDFI Lending
- Narrative Change and Scale Strategies: Black Wall Street Forward
- Key Takeaways and Next Steps

Today's Speakers



Joe Antolín
Asset Funders Network
President & CEO



Susan Fitzgibbon Shumaker
Cone Health Foundation
President



James Wahls
Mission Investors Exchange
*Senior Vice President,
Programs and Initiatives*



Gabriel Treves-Kagan
Latino Community Credit Union
Vice President, Development



Lynette Bell
Truist Foundation
President



The Carolinas Asset Funders Network Regional Chapter

Z. Smith Reynolds
FOUNDATION



Bighthouse
FINANCIAL®

 **Truist**
Foundation

THE
WINSTON-SALEM
FOUNDATION

 **CONE**
HEALTH FOUNDATION

Investing in Health. Creating Change.


THE FOUNDATION FOR A
HEALTHY HIGH POINT
Leadership for change

JPMORGAN
CHASE & Co.

 **Principal**® Foundation

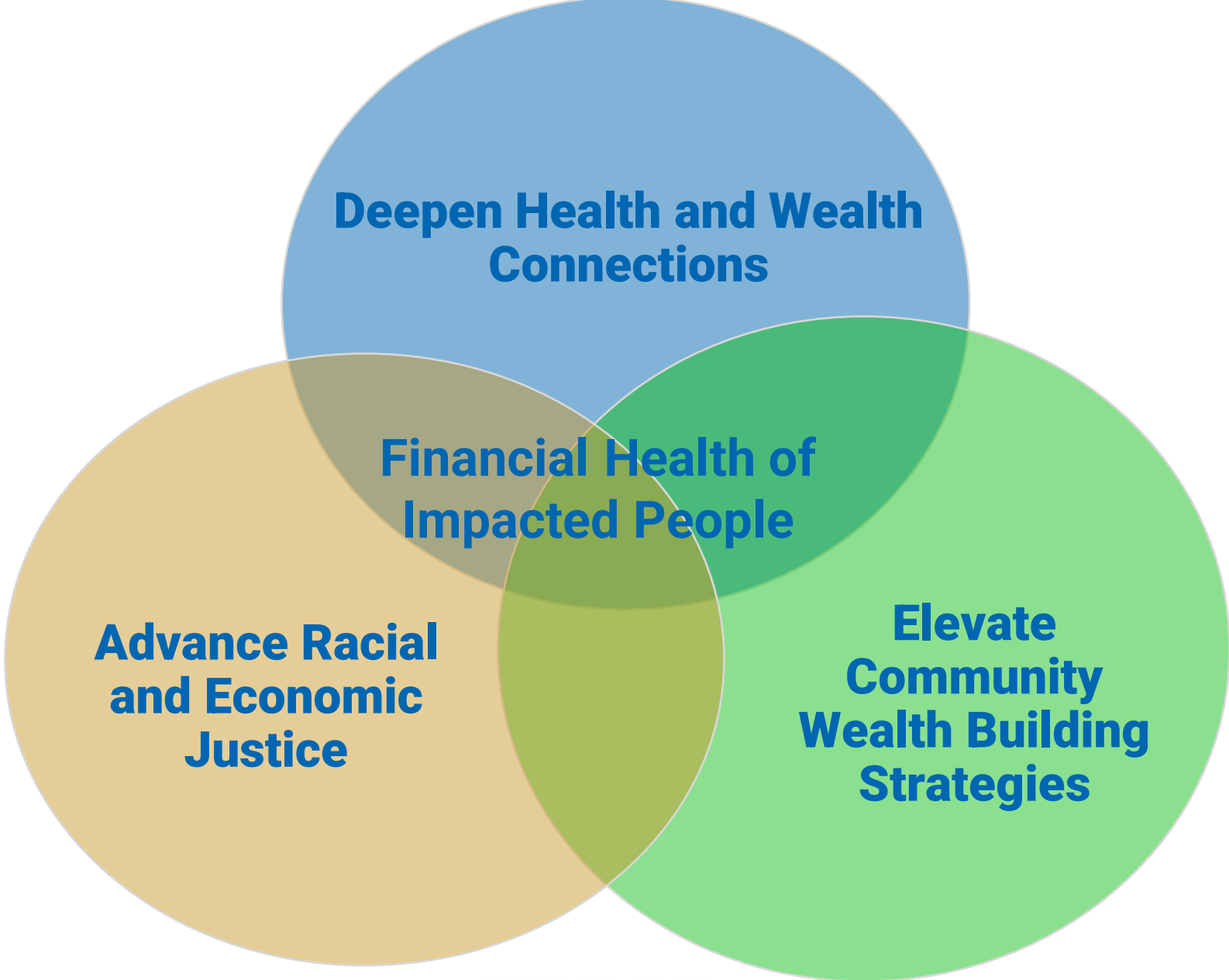
 **Self-Help**
Credit Union

 **COOPERATIVA**
LATINO
CREDIT UNION

WELLS
FARGO

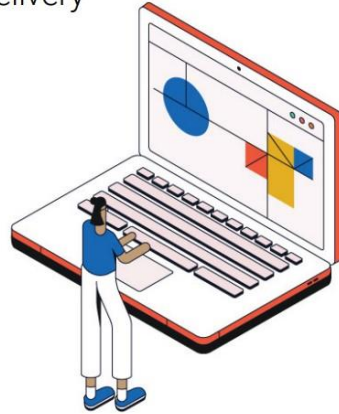
AFN The Carolinas
ASSET FUNDERS
NETWORK

The Carolinas Asset Funders Network provides an infrastructure for funders to learn, share and invest in asset building strategies.



Funders and community partners in the Carolinas collaborate to develop and activate AFN resources.

The Impact of COVID-19 on Financial Capability and Asset Building Services: Exploring Equity, Accessibility, and the Future of Service Delivery



assetfunders.org

REGIONAL BRIEF:

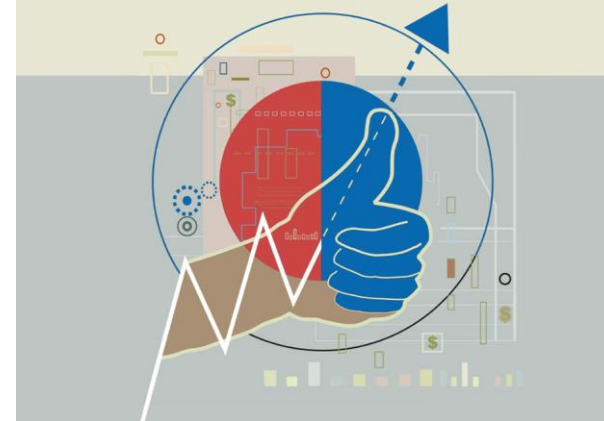
THE CAROLINAS

Financial Capability Services in the time of COVID



EMPLOYEE OWNERSHIP

A PATHWAY TO ECONOMIC RESILIENCE





REALIZING ECONOMIC JUSTICE

Confronting
Racial Bias in
Asset Building

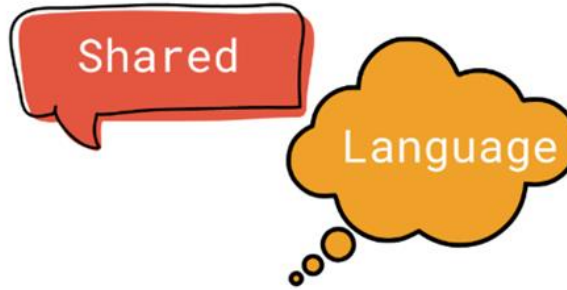
A SIGNATURE AFN INITIATIVE

Realizing Economic Justice Toolkit



FUNDER GUIDE

Providing guiding principles & actions for addressing racial bias in grantmaking



Supporting level setting across your team, organization, or working groups



EQUITY AMPLIFIER

Connecting leaders of color to the philanthropic community



LEARNING IN ACTION

Showcasing organizations that are addressing racism through philanthropy



Reflection Cards



EQUITY INSIGHTS

Elevating thought leaders who are examining racial equity through asset building

AFN's Value in Local Regions



Funders can leverage multiple tools to advance systems-level change.



Overview of MIE



Mission Investors Exchange is a leading impact investing network for foundations. With over 240 members, we provide resources and connections that help our members scale and deepen the impact of their impact investing practices. Members come to MIE staff and each other for inspiration, best practices, new investment opportunities, and innovations in impact investing around the world.

Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return.

-- Global Impact Investing Network

A Way of Thinking—Not an Asset Class

Organizations have been impact investing for decades while using different terms to describe their work. These terms include mission investing, social investing, community investing, and many more. They all include three defining features:



Investing with Purpose

Philanthropy	Impact Investing?				Traditional Investing
	Impact-First	Thematic	Sustainable	Responsible	
Social and environmental solutions outweigh any consideration for financial return.	Social and environmental considerations take precedence over financial returns.	Social and environmental impact themes and financial returns drive investment selection.	Investments are screened for financial returns and environmental, social, and governance (ESG) factors	Investments are driven by financial returns and screened out based on ESG risk and/or personal values.	Investments are made to emphasize profit without regard for impact or ESG factors.
	Investments support: <ul style="list-style-type: none"> • Innovation • Risk taking • Pilots • Creating enabling environments 	Investments seek solutions for: <ul style="list-style-type: none"> • Clean energy • Health care • Education • Food systems 	Positive screens consider: <ul style="list-style-type: none"> • Gender equality • Carbon footprint • Resource use • Workforce practices 	Negative screens exclude: <ul style="list-style-type: none"> • Tobacco • Alcohol • Firearms • Fossil Fuels 	

Why Impact Investing vs a Grant?

Why consider impact investing?

- Helpful in scaling solutions to market
- Opportunity for co-investment and leveraging, working with other investors to generate larger sums of capital and impact
- Can finance differently from traditional grantmaking
- Connect with friendly investors interested in social impact

Benefits of impact investing:

- Better repayment structures – more flexible terms, relief from the investment, lower interest rates, possible to renegotiate terms of loans
- Often more capital into projects than grants
- Dollars can be more flexible than grants

Impact Investing as A Tool

Tool for:

- **Community Wealth Building:** Invest in affordable housing, BIPOC-owned businesses, and community development projects that create jobs and promote equitable wealth distribution.
- **Racial Equity:** Foster partnerships with community organizations, financial institutions, and other stakeholders to leverage resources and maximize impact with direct investments towards community-led racial justice initiatives.
- **Economic mobility:** Support education and job training programs, provide catalytic capital, and invest in BIPOC small business pipeline development.

Reminders

- Intentionally is Key: these are market tools, **no intentionally leads to more inequity.**
- **Impact investing should be in lock step with strong grantmaking** to build back end support for providers.



Economic Opportunity for All

Ethical Financial Products & Education to Empower Communities



Community Development Financial Institutions are Drives of Financial Equity



In January 2023 [Vice President Kamala Harris visited our credit union](#) to showcase LCCU as a model CDFI uniquely positioned to utilize private sector, mission-aligned deposits to make loans that have “a profound, exponential impact on the economic health and wellbeing of the community.”

LCCU's Model for Financial Equity, Inclusion, and Empowerment



Financial Equity & Inclusion

- 125,000+ members
 - From 137 different countries
 - 93% Latino, 4% non-Latino BIPOC
 - 65% previously unbanked
 - Average age, 38
- 15 branches in NC
- Mortgages in NC, SC, GA, VA
- Virtual Center



Financial Equity & Inclusion

- CDFI and MDI certification
- Low-Income CU designation
- Bilingual staff and products
- Alternative credit history program
- Financial education program
- LCCU Scholarship Fund



Narrowing the Gap: \$1.7 Billion in Financing

- 93% of borrowers are Latinos
- 80% of borrowers are low-income
- 99% of mortgages to Latinos
 - 80% mortgages to first-time home buyers
 - 39% of mortgage borrowers have credit scores of < 660
 - 20% of mortgage borrowers had no credit score
 - 50% of mortgage borrowers are sole proprietors

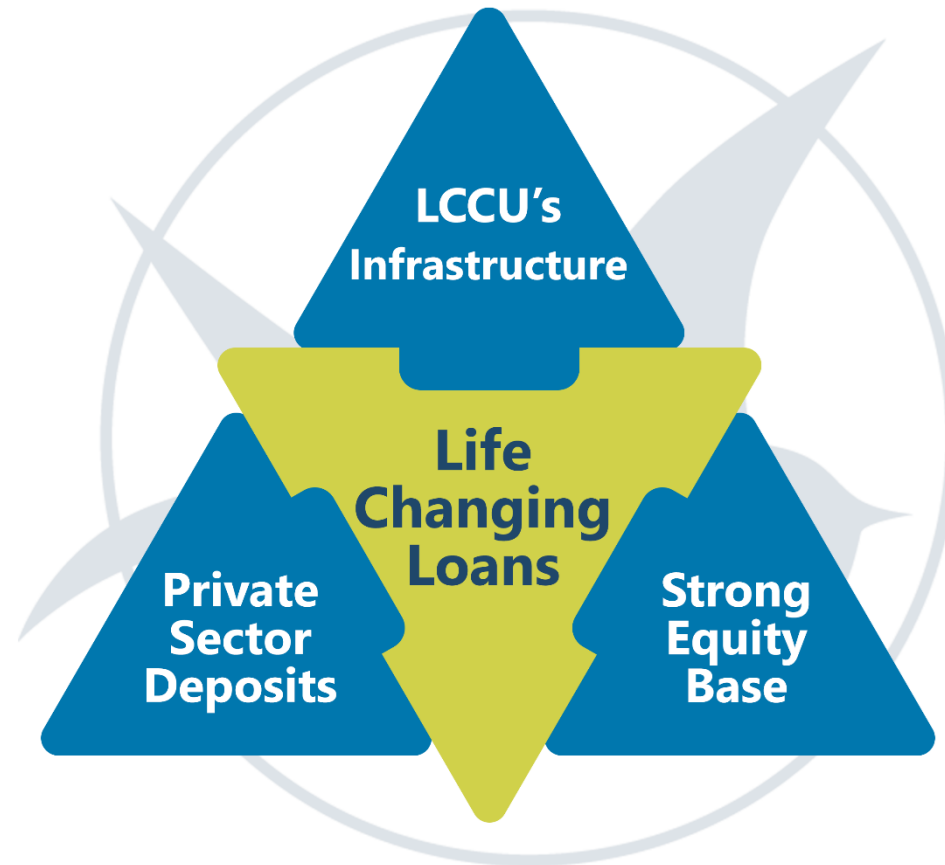


Impactful and Financially Sound

- Insured Deposits
- Large and Diverse Membership
- \$900+ million in Assets
- Financial Strength
 - **Strong Capital Base**
 - 23% Net Worth Ratio (2x required amount)
 - Loss Ratio of 0.13% (half of peers)
 - **Income**- Drawn from lending, not investments
 - **State Regulated**



Ensuring Equitable Access to Capital Through our Public-Private Partnership Model



Partnership in Action



Meanwhile, our lending grows 25% annually

Private sector deposits are key to filling this gap

Since 2018, **Cone Health Foundation's \$4 million deposit** has generated **\$8 million in life-changing loans**, a profound upstream investment in the health and wellbeing of Latino families in Greensboro, NC

Flexible Impact Investment Options



Catalytic Deposits

- Below, regular, and jumbo rates
- Additional insurance available

Grants through our 501(c)3



COOPERATIVA
LATINO
CREDIT UNION

Gabriel Treves-Kagan

VP, Development

gabe@latinoccu.org

Funders can leverage multiple tools to advance systems-level change.




Lynette Bell

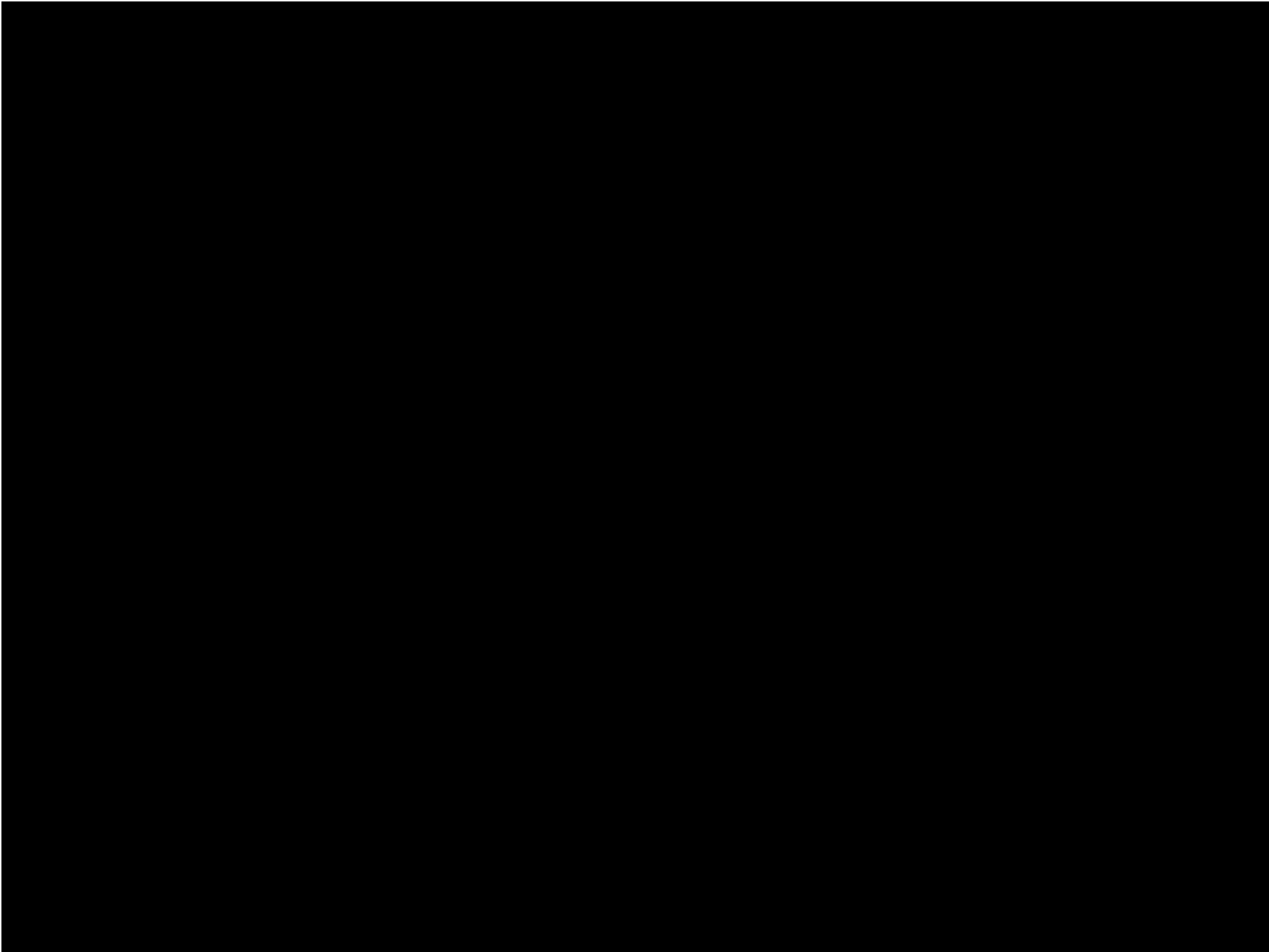
President, Truist Foundation

 Truist Foundation





Where does change start?



Black Wall Street Forward



Catalyzing black-centric
entrepreneurial ecosystems
across North Carolina



What tools will we leverage to advance economic mobility and community wealth building strategies in the Carolinas?



Upcoming Asset Funders Network Events



Challenging Risk & Creditworthiness to Support Entrepreneurs of Color

May 18 @ 1:00 pm - 2:15 pm EDT



Advancing Economic Justice for People with Disabilities

May 25 @ 1:00 pm - 2:00 pm EDT



The Carolinas AFN Regional Steering Committee Meeting (more info forthcoming)

July 18, 2023



SAVE THE DATE!

April 16-18, 2024 | New Orleans

**Accelerating
Ideas into
Action**



APRIL 16-18, 2024
NEW ORLEANS, LA

#IdeasIntoAction

AFN ASSET FUNDERS NETWORK | NATIONAL GRANTMAKER CONFERENCE

Be inspired. Be in the know. Experience New Orleans.



Grantmakers Advancing Economic Equity