

The world does not change one person at a time. It changes as networks of relationships form amongst people who discover they share a common cause and vision of what's possible. ... As networks grow and transform into active, working communities of practice, we discover how life truly changes, which is through emergence. Change begins as local actions spring up simultaneously in many different areas. If these changes remained disconnected, nothing happens beyond each locale. However, when they become connected, local actions can emerge as a powerful system with influence at a global or comprehensive level."

MARGARET WHEATLEY & DEBORAH FRIEZE, Systems Change Thought Leaders

Overview and Background

We are in a unique moment where it is both essential and possible to activate the change our communities most need through the redirection of our investment capital. Pioneering community foundations and place-based private foundations are already out in the field, advancing this work. These foundations represent an emergent network with a shared vision of what's possible.

In response to and in service of this opportunity, RSF Social Finance and BALLE launched the first cohort of our Local Economy Foundation Circle (LEFC) in 2014, and a second circle in 2016. Based on the success of the first two cohorts, BALLE is preparing to launch a third LEFC cohort of 15-20 leaders in May 2018. The cohort will be selected from foundation leaders who have expressed interest and who are positioned to advance place based investing in their region.

"The Circle is personally and professionally transformative. I have seen community foundation leaders move from confusion and not knowing about place-based impact investing to dramatic new clarity and amazingly effective new projects. Something powerful happens here. I've rarely seen anything like it."

-- Marjorie Kelly, Executive Vice President and Sr. Fellow, The Democracy Collaborative

The LEFC is a community of practice of pioneering leaders who are working to align their individual foundations' investments to directly support their mission in their place. Circle members advance their personal effectiveness in overcoming barriers to place-based impact investment, share with and support one another, learn from domain experts and intentionally create new knowledge and practices. Circle members also hold a commitment to advance the larger field and to make their resources and knowledge available to others doing related work.

Members of the LEFC have an expressed passion for moving their foundation's investment capital into their local economy. They hold positions of authority or strong influence within their foundation community. They are natural collaborators, have demonstrated their ability to act as change agents, and have rallied support for their participation in the circle.

"I recommend to anyone that is thinking about joining the next cohort of the Local Economy Foundation Circle to seriously consider it. It will be a worthwhile and rewarding use of their time and talents. "

-- Gerald Reger, CFO/CAO Community Foundation for Greater Buffalo

Program Details

As part of the circle, members commit to launching or significantly advancing projects to shift their foundation's investment practices over the duration of the cohort. To support this, the curriculum provides:

- Examples of structures and innovation in place-based impact investing;
- Council on board and donor education and engagement;
- Practices to increase personal effectiveness as change agents; and
- A framework to address four common areas of challenge: **Culture, Strategy, Capacity and Opportunity or "deal-flow."**

*"This experience has opened a new world for me, a world I didn't know existed for community foundations."
-- Puff Niegos Board Chair, Amarillo Area Foundation*

The heart of the LEFC takes place during four immersive retreats, which follow an arc along the four areas outlined above, and one BALLE Summit where LEFC members meet and connect with BALLE's broader Leadership Network, including BALLE Local Economy Fellows, conveners and practitioners working on the ground with community-based businesses to grow local economies, and the Local Economy Investors' Circle, a group of high net-worth individuals who are interested in supporting local living economies. Between retreats, members spend time on collaborative circle activities.

- Tentative dates for 2018-2019 LEFC immersive retreats with the cohort (4-day commitment, each)
 - **CULTURE:** April 30 – May 3, 2018
 - **STRATEGY:** September 2018 (week of 9/10 or 9/17, TBD)
 - **CAPACITY:** February 2019 (TBD)
 - **OPPORTUNITY:** June 2019 (TBD)
- One Local Economy Summit: November 14-16, 2018 in Pacific Grove, CA (3-day commitment)

As with our first two cohorts, we anticipate that the third LEFC will be composed of community foundations and place-based private foundations of varying sizes from both urban and rural communities, and with a diverse mix of discretionary and donor advised investment assets.

"I am learning from and with colleagues from organizations larger and smaller, more rural and more urban than mine, all with different business models. My sense of what is possible in our community and through our community foundation is more expansive. I am able to draw from an abundance of experience and ideas and weave that learning into my work and my organization with the help of coaching and other forms of support."

-- Mauri Ingram, President & CEO Whatcom Community Foundation

Program participation is partially underwritten with philanthropic gifts from F.B. Heron Foundation and other BALLE donors. The total cost for circle members is \$11,000 per year for two years, which includes \$9,000 for program fees and \$2,000 for room and board.

2016-2017 Local Economy Foundation Circle Faculty and Resources

Dana Bezerra, President, F.B. Heron Foundation

[F.B. Heron Foundation](#) deploys the full range of their “toolbox” including grants, program related investments, and market-rate mission investments to economic innovations and practices that lead to long-term economic opportunity and prosperity for all. Heron is trying to build an operating model that helps ensure that every dollar, staff member, and resource at their disposal is dedicated to helping people help themselves out of poverty.

Don Shaffer, Former President and CEO, RSF Social Finance

[RSF Social Finance](#) is a pioneering non-profit financial services organization dedicated to transforming the way the world works with money. In a world where our financial system can be described as complex, opaque, and anonymous, based on short-term outcomes, RSF is constantly asking the question, “How can we model financial transactions that are direct, transparent, and personal, based on long-term relationships?” With BALLE, RSF is the co-founder of the Local Economy Foundation Circle.

Esther Park, CEO, Cienega Capital

[Cienega Capital](#) is a family office investing to improve soil health, regenerative agricultural practices, and local food systems. They use an integrated capital approach individually tailored to each opportunity.

Lisa Richter, Principal, Avivar Capital

[Avivar Capital](#) (Avivar) assists foundations, banks and other institutional investors in the design and execution of impact investing strategy for financial, social and environmental return. The firm’s professionals bring domestic and international experience to serve as investment strategists, deal and fund structurers, asset managers, due diligence providers, coaches, trainers, market researchers, facilitators, and evaluators.

Josh Humphreys, President, Croatan Institute

[Croatan Institute](#) is an independent institute for advanced social and environmental research and engagement. The Institute’s initial projects concentrate on the nexus of finance and sustainability.

Leslie Christian, CFA

[Leslie Christian](#) has been a leader and innovator in social and environmental investing for more than 20 years. She is currently focused on the development of Integrated Capital, a new foundation and framework for portfolio management that accounts for the global risks of our time as well as personal vision, values and aspirations.

Marjorie Kelly, Executive Vice President, Democracy Collaborative

[Democracy Collaborative](#) engages with communities and institutions to connect them with innovative strategies, models and training to build community wealth in their neighborhoods. Marjorie Kelly also authored the report, “[A New Anchor Mission for a New Century](#): Community Foundations deploying all resources to build community wealth”.

Michelle Long, Former Executive Director, Business Alliance for Local Living Economies (BALLE)

[BALLE](#) works with networks of local business, investors and foundations in every state, all of which share a mission to create local economies that work for all. Amongst the transformative communities of practice that BALLE hosts are the nation’s only Fellowship program dedicated to cultivating the emergence of a new economy, a Local Economy Investors Circle, and the Local Economy Foundation Circle.

Additional resource and funding support

- [NoVo Foundation's](#) mission is to foster a transformation from a world of domination and exploitation to one of collaboration and partnership.
- The [Kendeda Fund](#) supports the dignity of individuals and the sustainability of communities through investments in transformative leaders and ideas.
- [The Surdna Foundation](#) seeks to foster sustainable communities in the United States -- communities guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures.
- [Mission Investors Exchange](#) is where philanthropic innovators share ideas, tools and experiences to increase the impact of their capital.

Facilitation Team

Christine Ageton, Sr. Advisor, BALLE: Christine has over seven years' experience overseeing BALLE's leadership circles and prior to that extensive experience is in national and international non-profit leadership, organizational development, program design, and as an expert facilitator. She has designed and implemented programs in economic development (Clinton Foundation–Peru, Project Healthy Children–Kenya, Haiti), drinking water protection (New Mexico Rural Water Association), and conservation planning (IDB, World Bank–Belize, Honduras and Guatemala). Christine is also an instructor who has taught international development and conservation leadership (Conservation International & College of Santa Fe) and guided peer to peer learning for conservation professionals (Kinship Conservation Fellows Program).

Sandy Wiggins: As a Sr. Advisor to RSF Social Finance, Sandy spearheaded RSF's field building activity around community capital systems and their initiative to support foundations make the transition to place-based, mission-aligned investing. Sandy is Principal of Consilience LLC, a national consultancy with a mission to foster environmentally, socially and economically sustainable communities. His skillful facilitation has helped birth sustainable master plans for municipalities and institutions across the country, as well as sustainable regional public policy initiatives. He was formerly Chair of e3bank, a triple bottom line bank focused on redirecting the flow of capital toward a sustainable world. He is the Outgoing Board Chair of BALLE and continues to serve on the BALLE board, and he also served as Board Chair of the U.S. Green Building Council.

Frequently Asked Questions**How is the LEFC different than other groups?**

The LEFC is a time bound community of practice with a very specific focus - to help its members overcome barriers and build institutional capacity for successful place-based mission investing. This is a cohort-based program that provides teaching and mentoring from, and access to, national content experts in the field, powerful peer to peer learning and support, and personal development, all in service of that objective.

We are already doing PRIs. How will this be different?

PRIs are a great start, but they typically come out of and are treated as part of the program or grant side of a foundation. This program is about leveraging "the other 95%" in service of your mission while obtaining a return, i.e., moving investment assets out of conventional portfolios and into your community in alignment with your grant-making (and PRIs), sometimes called Mission Related Investing (MRI).

What is Place-Based Impact Investing (PBII)?

The BALLE LEFC describes Place-Based Impact Investing (PBII) as a set of tools utilized to create an intentional leveraging of assets to support values or causes that the investor wants to encourage in a particular community or region.

Types of social impact could include but not limited to:

- Increasing employment, workers' rights, living wage
- Providing critical services
- Meeting a community need
- Financing small businesses including microfinance
- Expanding financial inclusion
- Develop fair trade and sustainable products
- Supporting renewable energy
- Increasing sustainable agriculture and strong food systems

An investment of this nature would:

- target enterprising nonprofits, double/triple bottom line companies, or funds
- generate a measurable social and/or environmental impact
- produce a return of capital and returns on capital ranging from low to market rates

These tools can include a broad range of instruments that focus on:

- Direct investing or investing through an impact fund or both
- Wide ranging asset classes
- Emerging markets and developed economies
- Impact-first, finance-first, or blended strategies

What and when are the events?

- Tentative dates for 2018-2019 LEFC immersive retreats with the cohort (4-day commitment, each)
 - **CULTURE:** April 30 – May 3, 2018, Sunrise Springs Resort, Santa Fe, NM
 - **STRATEGY:** September 2018 (week of 9/10 or 9/17, TBD)
 - **CAPACITY:** February 2019 (TBD)
 - **OPPORTUNITY:** June 2019 (TBD)
- One Local Economy Summit: November 14-16, 2018 in Pacific Grove, CA (3-day commitment)

What is the cost and what do they include?

The total cost of the program is \$22,000. This includes an \$18,000 program fee and \$4,000 for room and board for the gatherings. The fee includes the many human resources and ancillary costs needed to plan, facilitate and manage the program over a two year period. Please note that your payments do not fully cover these costs, and that the balance is covered by gifts from other philanthropies that believe in the importance of this work.



What is the end goal of the LEFC?

We believe that community philanthropies can play a catalytic role in the ecosystems of community capital that build healthy, equitable local economies through social enterprises that create opportunity, eliminate poverty, repair ecosystems, build community wealth, contribute to place-making and provide meaningful relationships. We also know that mainstream investment portfolios are helping to create the very problems that community philanthropies are working to solve. By helping you and your peers succeed with place-based mission investing, we anticipate that others will follow, leading to a sea change in the field.

Who are the others who will be in the cohort?

All of the participants are in leadership positions with either community foundations or place-focused private foundations. Some are at the very beginning of their mission investing journey, and others have already jumped in the water (or put in a toe). They represent significant diversity – geographically, urban to rural, small to large, and in terms of how much discretion they have over the use of their assets. What they all have in common is a determination to use their institutional assets more effectively in pursuit of their mission.

For further information, please contact:

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