Attracting New Institutional and Individual Investment in Community Development

Universities, Hospitals, Community Foundations, Individuals including DAFs

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The Existing Landscape for Community Investment

- Field has grown – over 1000 CDFIs – total capitalization – over $110 billion
- But indicators of caution –
  - Too dependent on government and banks? (68% from banks, gov’t and “internal” funds – CIF, GIIN Study 2016)
  - Demise of platforms Impact Us and Mission Markets
Key Issues in expanding to other institutional and individual investors

- Lack of formal communication between program staff (hospitals, foundations – including DAFs, educational institutions) and investment team.
- Often don’t address key issues for investment staff around fiduciary responsibility, due diligence and risk/return profiles.
Some Action Strategies

• Engage key people at the university, hospital or foundation – CFO, investment advisor, investment committee
• Be able to talk finance “language” re: portfolio strategy, fixed income securities etc.
• Involve key constituencies e.g. at the university – including students and faculty
University Investment in Community Development

• Be prepared to discuss real life ideas and opportunities, e.g. the local Community Development Financial Institution.

• Look at broader investment goals to be pursued (e.g. ESG – environmental, social, governance)

• Look for opportunities to embed these ideas in other activities, e.g. at university – including courses and internships.
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