

Impact Investing: Readiness of Funders in SW PA & WV

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for Grantmakers of Western PA, November 2015

Project funding
Claude Worthington Benedum Foundation
The Forbes Funds

Agenda

1. Project Scope
2. National Picture
3. Existing Practices in Region
4. Challenges and Barriers in Region
5. Opportunities
6. Your Advice

I. Scope

Support the expanded use of impact investing as a tool for nonprofits and foundations in the Pittsburgh region.

A **pulse check** on interest, readiness, challenges, opportunities around impact investing

- Foundations \$1M+ in grants
- 15 in Pittsburgh area, 4 in WV interviewed
- 15 didn't respond or declined

I. Interviewees

Community

- CF Ohio Valley
- Jewish CF
- Parkersburg Area CF
- POISE
- Tucker CF

Public

- Jewish Healthcare
- McCauley

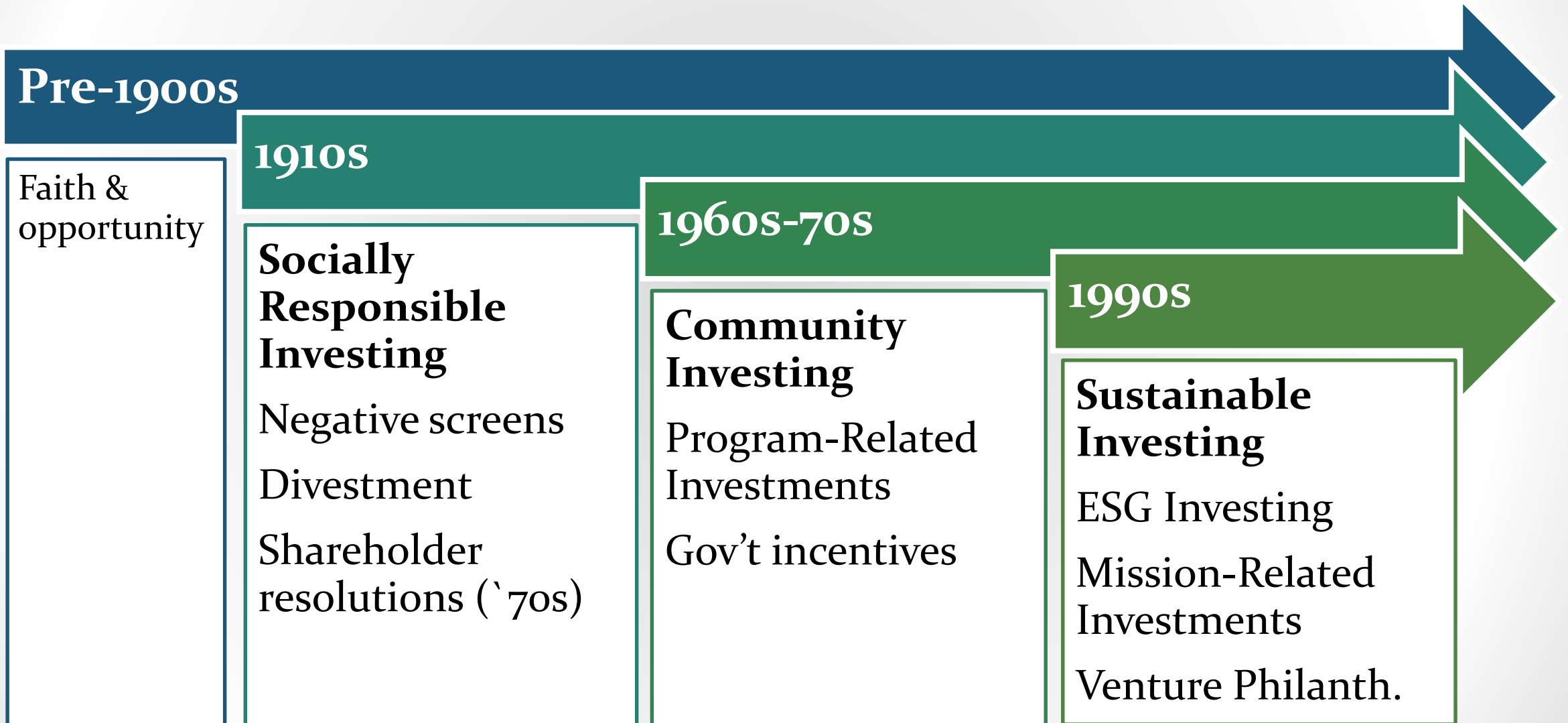
Family

- Burke
- DSF
- Fine
- Grable
- Hillman
- Hunt
- Robinson
- Staunton Farm

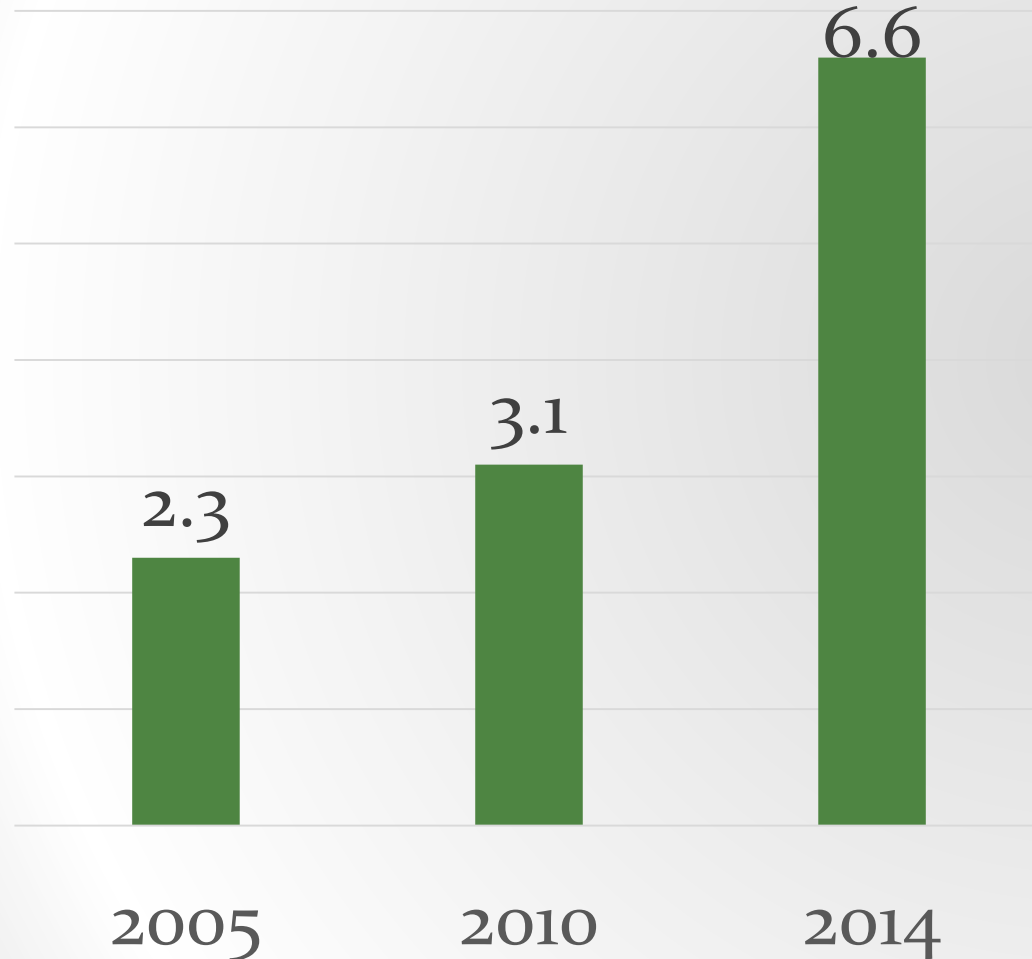
Private

- Bernard McDonough
- Birmingham
- Colcom
- FISA

2. National Overview



\$6.57 Trillion in U.S. Impact Investments



Drivers

- HNW & Millennials
- Mainstream Managers
- Field-Building
- Returns Analyses
- Fed Policies

2. National Foundation Landscape

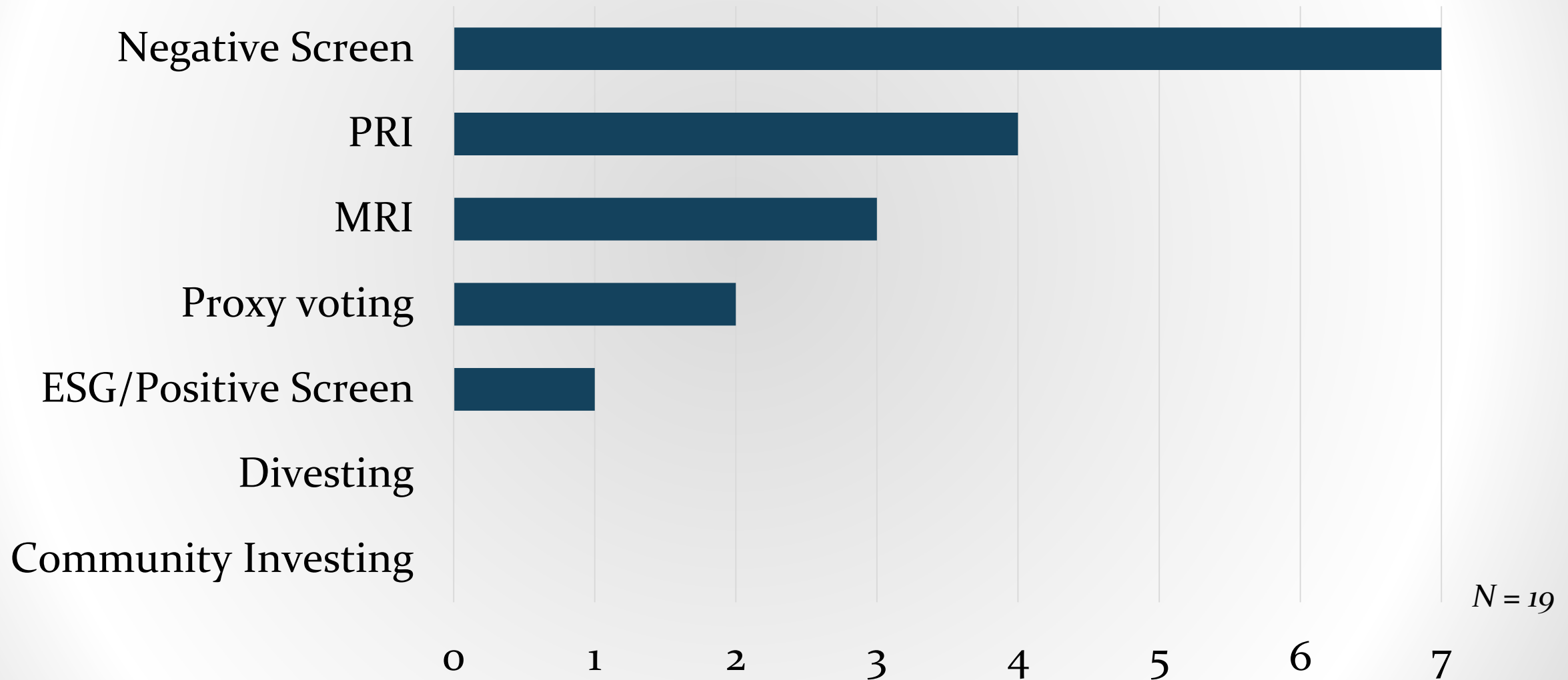
13-14%-ish

- Engaged in some form of impact investing
- Higher #s of large and 1st-generation foundations

The Other 87%-ish

- Won't help us achieve our goals
- Lack expertise, skills, or staff
- Primary or exclusive focus on financial return

3. Existing Practices in Region



4. Regional Challenges and Barriers

1. Investment Philosophy

- Board members and founders
- Investment advisors

2. Information and Capacity

- Lack of demand
- Willing to borrow or subcontract

3. Perceived and Real Entry Barriers

4. Interviewee Summary

Ready →

2

6

Open to Possibilities

6

Hard to Move

5

Not Interested

5. Opportunities

1. Education programs and peer experts
 - Philanthropic channels
 - Allied professional channels
 - Content curation

5. Opportunities

1. Education programs and peer experts
2. Structure co-investments
 - Opt-in models instead of pooled funds
 - ESG and MRI
 - PRI beyond real estate
 - Health, wealth-building, conservation/sustainability

5. Opportunities

1. Education programs and peer experts
2. Structure co-investments
3. **Advisory services**
 - Know what you own
 - Strategy development
 - Implementation support
 - Deal scoping and aggregation

5. Opportunities

1. Education programs and peer experts
2. Structure co-investments
3. Advisory services
4. Investee capacity building
 - With other venture funds, incubators
 - National ratings/evaluation services



5. Opportunities

1. Education programs and peer experts
2. Structure co-investments
3. Advisory services
4. Investee capacity building
5. Regional impact investing network hub
 - Facilitate shared goals and resources
 - Increase impact, influence, leverage, learning

6. Strategic Questions

- Advantages in growing impact investing in the region?
- Worries about growing impact investing in the region?
- Which opportunities resonated most?
- Most natural role(s) for The Forbes Funds?