

Reinvestment Fund, Impact Investment Taxable Series Bonds

Primary impact area:
Social

Impact sector:
Urban & Community Development

Impact category:
High Impact

Geographic location of impact:
North America

Date of Investment:
2018

SDG alignment:





Image credit: Reinvestment Fund

Reinvestment Fund is expanding economic opportunity in low income communities through financial products and services.

Reinvestment Fund is a mission-driven financial institution committed to making communities work for all people. Founded in 1985, it is one of the largest and most comprehensive Community Development Financial Institutions (CDFIs) in the United States. CDFIs are financial institutions that share a common goal of expanding economic opportunity in low income communities through financial products and services.

Reinvestment Fund is a non-profit organisation, rated A+ by S&P (and its taxable bonds are rated A+ by S&P).

Reinvestment Fund brings financial and analytical tools to partnerships that work to ensure that all communities across the United States have access to essential opportunities: affordable places to live, access to nutritious food and health care, schools where their children can flourish, and strong, local businesses that support jobs.

It uses data to understand markets, communities, and impediments to opportunity - and how investment and policy decisions can have the most powerful impact. Reinvestment Fund is also part of coalitions that work to shift how entire sectors work to dismantle systems that perpetuate social and economic inequality.

For 35+ years, Reinvestment Fund has disrupted inequitable investment practices and driven measurable impact. It brings capital into communities by supporting and partnering with businesses and organizations that are motivated by a common mission - to expand opportunities. It works in places and sectors historically excluded by traditional capital sources. It supports entrepreneurs and organizations with big ideas, who struggle to get capital because they cannot access generational

wealth, or because their track records or project types don't match the expectations of traditional lenders.

Since its founding, Reinvestment Fund has put more than USD 2.4 billion to work for good - investing in projects that are both targeted and transformative. It has financed the development of 23.5 million square feet of commercial and community facilitate space and 89,472 educational opportunities for students. It has also financed 184 grocery stores and healthy food outlets, and 273 minority or women-owned businesses.

By tailoring financing solutions, fostering local partnerships, building coalitions, and informing strategies for tackling systemic injustices, Reinvestment Fund is charting paths and forging collaborations that catalyze positive, lasting impact.

Response to the pandemic and racial injustice

In the communities served by Reinvestment Fund, poor housing, environmental pollution, segregation, lack of opportunity and limited access to quality health care are persistent challenges—amplified by the pandemic.

Responding to the COVID-19 pandemic, Reinvestment Fund has been working with communities and businesses to alleviate some of the immediate financial pressures and ultimately to preserve local assets. The first of these efforts was the Philadelphia Emergency Fund for Stabilization of Early Education (PEFSEE). PEFSEE provides grant funds to minimize the loss of capacity and expertise in the early learning sector so that children and families continue to have access to high quality early learning opportunities once this crisis has passed.

To date, Reinvestment Fund has awarded \$6.7 million in grant awards to 416 childcare providers, early intervention and home visiting services. For example, we helped People's Emergency Center develop new early childhood education tools for families quarantined in shelters in Philadelphia.

Events of the past year have also brought fresh energy and urgency to work that was already in motion to challenge injustice and deliver equitable solutions. For example, Reinvestment Fund is investing capital in complex community projects led by people of colour and accountable to communities of colour. They are committed to not just building facilities; but increasing the capacity of local leaders to leverage resources and power on behalf of their communities.

Reinvestment Fund also served as a lender in the US federal Paycheck Protection Program (PPP). Reinvestment Fund has helped 111 organizations access a total of \$5.6 million in PPP funds. The average loan size was \$50,000 and most applicants had around five employees. Almost 70% were businesses owned by women and/or people of colour and 1 in 4 was owned by a low-income individual.

Case study: Jumpstart



An affordable home in a healthy neighborhood is fundamental to safety, stability, and opportunity. Leveraging its 35+ years of experience in affordable housing finance, Reinvestment Fund is using its capital to help small scale developers in this sector grow.

One such example is its investment in Jumpstart, a training and a loan program that helps start-up and small-scale property owners in Philadelphia redevelop housing in their neighbourhoods. The program explicitly seeks to enable residents to invest and develop in their neighbourhoods and build wealth locally.

More than 85% of Jumpstart graduates are women and people of colour - populations that have traditionally been grossly under-represented in real estate development both in Philadelphia and nationally.

Jumpstart graduate, Tabitha Giddens, heard about the program through a co-worker who had signed up. Giddens wasn't sure she was interested in the program but agreed to go for moral support.

What Giddens found was the opposite of what she was expecting. Struck by how easy and straightforward the program was, she decided to take it seriously. Giddens graduated, secured her first loan, and went shopping for her first property - eventually landing on a row home in the Carroll Park section of West Philadelphia.

"I always thought of investing in real estate as a man's job," said Giddens. "But as an African-American woman, I feel extremely empowered by Jumpstart. This is something bigger than I ever dreamed or experienced. And I did this myself. I don't need to stand in the background anymore."

Jumpstart Philly is off to a good start in fulfilling that goal. To date, the program has 1,200 graduates and has provided more than 160 loans, with a total of more than \$17.2 million. The result has been more than 170 rehabilitated properties across Philadelphia.

About Premiums4Good

Premiums4Good is an innovative initiative that sees QBE invest everyday premiums to make an extraordinary difference to communities across the globe.

Through Premiums4Good, we invest customers' premiums into investments that have additional social or environmental benefits at no extra cost to the customer.

These investments include social impact bonds, social bonds, green bonds and infrastructure, supporting a range of projects and programs that seek to create change.

From renewable energy initiatives and sustainable infrastructure, to social services and programs to support vulnerable people and communities - Premiums4Good helps us, together with our customers and partners, make a difference.