Beyond grant making: what about the other 95%?
The Four Stages To Becoming an Impact Investor

Minnesota Council on Foundations
Annual Conference
February 8:30-9:45am 13, 2020

Panelists
Nancy Jacobs: Sundance Family Foundation
John E. Larsen: Marbrook Foundation,
John Larsen Foundation
Geetu Sharma: Alphas Future

Moderator:
Susan Hammel Cogent Consulting and MCF
Executive in Residence for Impact Investing
Investing Spectrum

Philanthropic Activities
Program Related Investments

Investment Activities
Mission Related Investments

Positive Measurable Impact

Grants
Venture Philanthropy
Impact Investing
Responsible Investing
Traditional Investing

Negative Financial Return
Below Market Rate Return
Market Rate Return

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Roles Your Foundation Can Play in Impact Investing

- **Investor**
  - Capital

- **Partner**
  - Capital

- **Capacity Builder**
  - Grants, technical assistance, investment capital

- **Engager**
  - Awareness, opportunities, networks

- **Informer**
  - Partnerships

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Stages of Intentionality

Curiosity
Interest, diverse range of opinions and attitudes

Learning
Want to learn more, attitudes similar to curiosity stage

Strategic
Knowledgeable, experience with impact investing,

All In
Decided a philanthropy’s assets must all be used for mission, Impact investing experts who continue to learn and innovate
Stage 1 2 3 4

Curiosity

- Interest in the topic
- Possible pre-conceived and diverse opinions among Board members, staff, and CEO/Executive Director
- Attitudes range from openness to learning more to enthusiasm to skepticism

MCF Examples

- MCF Impact Investing peer network members
Stage 1 2 3 4

Learning

• Beyond initial curiosity and want to learn more
• Possibility of strong and diverse opinions by Board, staff, CEO
• Engage financial advisor and/or hire internal staff to manage impact investments
• Attitudes similar to Stage 1

MCF Examples

• Anonymous family foundations
• High net worth individuals
Stage 1 2 3 4

Strategic

• Knowledgeable about impact investing
• Want their investing tied to a strategy with a rubric to evaluate deals

MCF Examples

• Northwest Area Foundation
• Bush Foundation
• Southwest Initiative Foundation
All In

- Decided a philanthropy’s assets are a public trust and therefore must all be used for mission.
- Impact investing experts who continue to learn
- Attitudes can be quite innovative

MCF Examples

- Sundance Family Foundation
- Otto Bremer Trust
- The McKnight Foundation