



MINNESOTA COUNCIL
ON FOUNDATIONS

Integrated Capital Recovery Program Program Results

What is the Integrated Capital Recovery Program?

MCF launched the Integrated Capital Recovery Program (ICRP) in April 2020 to respond to the economic crisis created by the COVID-19 pandemic. By May 2020, the program's focus expanded to respond to the racial reckoning which resulted after the murder of George Floyd.

ICRP encouraged foundations to provide loans, program related investments and other types of patient capital to community development financial institutions (CDFIs) to get resources flowing to small businesses and nonprofits.

The program prioritized support for small businesses and nonprofits led by women, people from Black, Indigenous, or People of Color (BIPOC) communities, community members who identify as LGBTQ or disabled, and people from rural communities.

MCF focused on reaching out to Minnesota's 27 CDFIs because of their established relationships to community businesses and nonprofits, their skill at rapidly distributing funds and their strong understanding of local needs throughout various Minnesota communities.

What is Integrated Capital?

Integrated Capital, a term coined by RSF Social Finance, means using all the tools philanthropy possesses to solve a problem. Integrated capital is the coordinated use of different forms of financial capital and non-financial resources to support an enterprise that's working to solve complex social and environmental problems.

ICRP Program Results

\$44.7 Million Total

MCF focused on activating grants and loans as two key funding vehicles.

Grants

- \$13,655,000 Needed
- \$11,320,000 Committed

Loans

- \$77,250,000 Needed
- \$33,425,000 Committed



ICRP Program Highlights



90% of participating CDFIs received financial support



5 due diligence memos shared and produced

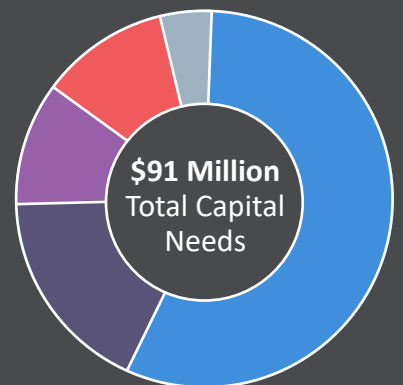


3 PRI legal templates produced and shared with foundations



Stronger relationships and improved education among Impact Investing workgroup partners and CDFIs

Capital Needs Identified by Participating CDFIs



- **57%** BIPOC Centered
- **17%** Affordable Housing
- **11%** Innovative Solutions
- **11%** Greater MN Small Business
- **4%** Twin Cities Small Business

ICRP Workgroup

The ICRP Workgroup guided the design, launch and implementation of strategies while adhering, communicating and deepening the implementation of D.E.I. principles and values among peer foundations.

The ICRP Workgroup members included:

- McKnight Foundation
- Bush Foundation
- Mortenson Family Foundation
- Venn Foundation
- John Larsen Foundation
- Northwest Area Foundation
- Initiative Foundation
- Blandin Foundation
- Saint Paul & Minnesota Foundation
- Target Foundation

Participating CDFIs

Affordable Housing

- Greater Minnesota Housing Fund
- Habitat for Humanity of MN, Inc.
- LISC Duluth
- NeighborWorks Home Partners
- One Roof Community Housing
- Twin Cities Habitat for Humanity

BIPOC Centered

- Catalyst Consortium (Minnesota Inclusive Growth Fund) through MEDA
- Leech Lake Financial Services
- Mni Sota Fund
- Neighborhood Development Alliance (NeDA)

Twin Cities Small Businesses and Entrepreneurship

- Metropolitan Consortium of Community Developers
- Neighborhood Development Center

Greater Minnesota Small Businesses and Entrepreneurship

- Entrepreneur Fund
- Initiative Foundation
- Northwest Minnesota Foundation

Innovative Solutions

- First Children's Finance
- LISC Twin Cities and Land Bank Twin Cities
- Propel Nonprofits
- Shared Capital Cooperative

How to Get Involved

To learn more about MCF's Integrated Capital Recovery Program, or to make a Program Related Investment (PRI) or grant, please contact MCF's Impact Investing team:

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Learn More

Visit the Minnesota Council on Foundations online at:
<https://mcf.org/integrated-capital-recovery-program>

Why was the Program Successful?

The key to success was one pre-requisite: fertile philanthropic soil— beginning with a baseline that included:

- A history of successful collaborative initiatives
- Strong education about impact investing
- A trusted philanthropic peer network
- A motivated philanthropic community



Collaborative Action Through ICRP

Through collaborative action, the following 13 foundations worked together to provide funding opportunities in the form of grants and loans:

- Anonymous
- Bush Foundation
- Driscoll Foundation
- GHR Foundation
- John Larsen Foundation
- JPMorgan Chase
- Marbrook Foundation
- Margaret A. Cargill Foundation
- Fund of the Minneapolis Foundation
- McKnight Foundation
- Minneapolis Foundation
- Mortenson Family Foundation
- Northwest Area Foundation
- Venn Foundation