

GREATER TOGETHER

THE CAMPAIGN TO BUILD A MILWAUKEE FOR ALL



GREATER TOGETHER: CAMPAIGN PRIORITIES

IMPACT INVESTING

An innovative tool for social and economic impact

Our communities are brimming with talent and assets, but in too many places, the lack of external investment holds back economic opportunity and quality of life for people.

This is a leading factor in the disparities we see in employment, income and homeownership that disproportionately harm communities of color. The COVID-19 pandemic only exacerbated these challenges.

That's why the Greater Milwaukee Foundation is leading a new wave of investment in people, neighborhoods and enterprises across Milwaukee

– through the innovative model of **impact investing**, which invests capital in carefully chosen opportunities to help create the first rung on the economic ladder for neighborhoods and residents.

In recent years, Foundation and its partners have shown how impact investments can deliver positive and measurable social and economic impacts, while also creating financial returns that generate revolving funds for future investments.

Now, it's time to take this powerful model to a whole new level of impact.

Investing for Social and Financial Impact

Since its first wave of impact investments in 2017, the Foundation has invested nearly \$13 million in Milwaukee projects with the power to create economic opportunity and lift up neighborhoods. While many of these investments are still in their early stages, the results to date show the power of this approach:

- 65 small businesses supported
- Over 85 jobs created
- \$4.9 million in additional city financing, equity investment and donations leveraged
- \$10 million mission investment in ThriveOn King and its catalytic impact in the ThriveOn neighborhoods
- 17 ThriveOn Small Business Loans made to local businesses of color with a total of \$780,000 in low interest loans with favorable terms disbursed

Through *Greater Together: The Campaign to Build a Milwaukee for All*, the Foundation will take impact investing to a far greater scale.

Our vision: To invest **\$30 million in 50+ investments over a 5-year timeframe**, including \$15 million in philanthropic support through the campaign along with \$15 million in direct funding from the Foundation.

In particular, the Foundation will focus impact investments on three priority areas where dollars can address social needs, create jobs, build wealth and create opportunity for others:

- **Equitable Economic Opportunity:** Supporting entrepreneurs, creating jobs and building wealth in communities
- **Early Childhood Education:** Increasing the supply of quality providers and building the early childhood teaching workforce
- **Housing:** Increasing the supply of safe, affordable housing to help fill the 32,000-unit gap in communities that most need it

With your support, these investments will not only make an impact at the community level – they'll yield returns that fund subsequent waves of investments for years to come.

How Impact Investing Works

Impact investments are structured as **loans and equity investments** that give recipients the support they need to move forward while preserving the potential for returns and shared success.

Each investment **delivers a financial return** so that funds can be reinvested into new projects – making impact investing one of the most far-reaching ways to make a difference in our community.

By nature, impact investing **targets places where other investors and lenders have not stepped up** – responding to under-recognized

opportunities that arise from our deep engagement with the community and bringing resources to where they are most needed.

Impact investments backed by the Foundation **help leverage much greater private and public investment** from other funders – creating a multiplier effect far greater than the Foundation's initial investment.

Investments are **driven by the Foundation's Impact Investment Committee** of respected community leaders with investment expertise, who report to the Foundation's Board of Directors and vet all deals with a technical subcommittee.



Impact Investing In Action

ThriveOn Small Business Loans

INVESTMENT: The Foundation deployed a total of \$780,000 in low-interest loans with favorable terms, ranging in amount from \$25,000 to \$50,000, to 17 small businesses. Nearly 80 percent of the businesses are in the Halyard Park, Harambee and Brewers Hill neighborhoods associated with the ThriveOn Collaboration, and all are owned by people of color.

SOCIAL IMPACT: Access to new capital is giving these businesses the opportunity to reopen, hire, or sustain and improve their business operations. Approximately 40 jobs are expected to be created or reestablished.

Gateway Capital Partners

INVESTMENT: The Foundation made a \$1 million investment in Gateway Capital Fund, the first Milwaukee-based venture capital fund investing primarily in pre-revenue startups.

SOCIAL IMPACT: Gateway Capital Partners is cultivating an ecosystem of diverse, successful company founders and investors.

Near West Side Partners

INVESTMENT: In August 2020, the Foundation approved a time-limited guarantee on an \$800,000 loan for a catalytic development project led by the Near West Side Partners (NWSP).

SOCIAL IMPACT: NWSP has acquired 20 parcels of land for a vibrant multi-use development-known as the Travis Block – that will serve the neighborhoods of Milwaukee’s near west side.

“Small businesses are the lifeline in most cities, particularly in communities of color. Small business growth is how you change communities and keep them thriving.”

MARGARET HENNINGSEN

Legacy Foundation Fund Adviser and
ThriveOn Small Business Loan Program Donor

Immediate Funding Opportunities

For donors interested in joining in impact investing, the Foundation offers the following immediate funding opportunities:

- Contribute to the Foundation’s **Impact Investing Fund**, which will invest in promising opportunities throughout our city to create both social and financial returns
- Co-invest in the **ThriveOn Small Business Loans** program to create economic opportunity in the Halyard Park, Harambee and Brewers Hill neighborhoods surrounding the ThriveOn Collaboration