Our experience with Women’s Empowerment
A case study from the Calvert Foundation

September 2014
Topics of discussion

Calvert Foundation overview

WIN WIN:
Our Women Investing in Women Initiative
Calvert Foundation has a history of providing innovative, flexible financing for social good

Calvert Foundation’s History

- Calvert Foundation was founded in 1988 to complement the work of Calvert Investments by providing a private debt solution to create more direct impact on communities in the US and internationally.

- While Calvert Foundation has evolved over the years, we have had a consistent mission, to empower individuals to invest in social good.

- Over the years, Calvert Foundation’s capital has played a role in testing and proving new sectors like CDFIs in the US and microfinance abroad.

- We are unique in our source of capital and our approach, and are looking to provide catalytic capital to impact organizations while democratizing impact investing.

We have raised $1B in capital from individual & institutional investors

That we lend into communities lacking access to responsive capital.
Over the last 19 years, we have raised nearly $1 billion from 14,000+ investors...

**Dollars raised through the CI Note**

$USD, millions

- We should pass the $1B mark at some point this year

**Number of investors**

Investors from three channels

- Bump in number of investors since 2007 when we began offering the CI Note online

We should pass the $1B mark at some point this year.
...And many aligned trends affecting our industry will enable much greater growth moving forward

Trends affecting our industry and business...

- Pending transfer of more than $40 trillion to millennials who are increasingly looking to match their purchasing decisions with their values
- Crowdfunding, which is teaching people how to have a more direct connection to their investments
- Socially responsible investing and impact investing, both fields which are growing but are largely inaccessible to the retail investor
- Increased need for private capital in communities as government sources continue to dry up or are needed for direct social services
Topics of discussion

- Calvert Foundation overview
- WIN WIN: Our Women Investing in Women Initiative
WIN-WIN’s creation was serendipitous, and a great reminder that most programs and projects are driven by a smorgasbord of individual actors

- A female CEO with a passion for women’s economic empowerment
- A realization that our old model was stale; attracting new investors and operating capital was hard without a sexier hook
- An independent consultant with the bandwidth to do an internal feasibility study
- Interest from investors, such as Veris Wealth Partners and other female financial advisors, as well as key individual stakeholders (board, influencers, etc.)
- Interest and persuasion from Criterion Ventures who were looking for a retail product with which to align their research
- Mission alignment with a new area of interest for a Foundation interested in providing the necessary operating capital (which was discovered serendipitously)
- Alignment with Calvert Foundation’s traditional loan portfolio
What was born was Calvert Foundation’s first pilot with a ‘Strategic Initiative’ to create a more direct connection between individual investors and our portfolio.

Everyday, retail investors...

...purchase a Community Investment Note aligned with their interests...

...which help fund a portfolio of investments in that sector or focus area...

...which increases the flow of capital for those organizations.

Investors can see the impact of their investment in their community and are paid back with interest.
Because this was a pilot, we aimed to keep it relatively simple and straightforward.

**Our Goal**

To raise $20 million from individuals who wanted an avenue to invest a portion of their personal portfolio in activity related to women’s economic empowerment and deploy $20 million into organizations empowering women in the US and around the globe.
Supporting Women

- The majority of clients served are women (50% or more)
- The organization has a mandate to serve women in its mission OR has a specific program targeting women
- The majority of the organization’s products or services offered have shown to especially benefit women

Empowering Women

- Programs Providing Women’s Empowerment and Related Services
  - Child Care Services
  - Health Care Services – General or Maternal, including nutrition
  - Financial and Business Skills Training

- Organization with Majority Female representation on the leadership team, or a female in the top management role, or at least two female board members
- Received industry wide recognition for working with women

Setting the investment criteria was a balance between rigor and feasibility / flexibility for our borrowers

Borrowers must meet ONE of THREE of the Supporting Women criteria AND ONE of THREE of the Empowering Women criteria OR Borrower must be individually selected by Calvert Foundation

Calvert Foundation™
The pilot was largely seen as successful...

“Money in”

- Raised **$20 million** from individuals and institutions
- Attracted **850** new investors with minimal marketing budget / effort
- **83%** of investors invested online
- Median online investment was **$200**
- **70%** of Twitter followers were female
- **71%** of Social followers were between 25 – 44 years old

“Money out”

- Deployed **$20.1 million** into **16** organizations that fit our screen
- Our borrowers financed **165** small businesses and **5,090** micro-enterprise loans
- Supported **19,199** end beneficiaries
- **75%** of our borrowers had majority female management (vs. 40% avg)
- Invested across affordable housing, financial inclusion, environment, education, and healthcare
...and we learned so many lessons from the process

1. There is power in an investment

2. There was latent demand that was waiting to be activated

3. Gender has the ability to knock down verticals

4. Portfolio creation should be inclusive and aspirational
There are now many more opportunities to invest in women across the capital spectrum.