

Place-based Investing

Leveraging health systems' financial assets to bring affordable, flexible capital to historically disinvested communities.

With over \$500 billion in long-term reserves, health systems can shift a sliver of their investment portfolio to place-based investments (geographically targeted impact investments). These investments can earn an economic return, fill financing gaps in communities, and begin to tackle deep-rooted racial and economic inequities in areas such as affordable housing, economic opportunity, and access to healthy food.

[Healthcare Anchor Network's Place-based Investing \(PBI\) Commitment signatories](#) have allocated 1% or \$50 million (whichever is less) of long-term, unrestricted investment funds towards PBI.

Note: Place-based Investing is often used interchangeably with "community investment," geographically targeted "impact investing," or "local investing."

An **anchor mission** is a commitment to intentionally apply an institution's place-based economic power in partnership with the community to mutually benefit the long-term well-being of both.

Health systems that adopt the anchor mission recognize that their hiring, purchasing, investing, and other institutional assets are an important part of creating thriving communities and equitable local economies. This strategic approach offers an opportunity to work at the intersection of many organizational priorities, such as health equity, community benefit, diversity and inclusion, prevention, sustainability, civic responsibility, and overall employee engagement, to foster greater alignment and overall impact.

Business Impact Case

Place-based investing strategies allow health systems to generate positive social and economic impacts in their communities while still producing a positive financial return. As a small percentage of an overall portfolio, place-based investments should not have a material impact on the organization's bottom line, and as funds are paid back with modest interest, capital can be recycled back into the community to finance new projects.

Short-term Impacts

- Address housing affordability, economic mobility, food access, and other critical needs of patients, employees, and community members
- Amplify and reinforce community health and community benefit priorities
- Build stronger community partnerships and a more impactful investment portfolio with visible benefits in the community

- Demonstrate a long term commitment to the health of future generations and a shift from volume to value
- Help catalyze a local, coordinated community investment ecosystem dedicated to tackling the social determinants of health

Long-term Impacts

- Build community wealth through access to homeownership and growth of local and minority-owned businesses
- Increase supply of safe, healthy, affordable housing—a key driver of health outcomes
- Reduce risk of chronic diseases through increased access to affordable, healthy foods
- Address other social determinants of health such as childcare, education, physical environments, and healthcare access
- Increase local tax revenue from equitable community economic development investment

Here's how some leading health systems are leveraging investments to improve their communities' overall health and well-being:

INTERMOUNTAIN HEALTH

Headquartered in Salt Lake City, UT

Multi-state Place-based Investing program

Intermountain Health engages in place-based investing to address the root causes of poor health by investing in upstream, research-based interventions that maximize social and environmental impact.

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Impact (as of 2024)

- Committed 2% of its investment portfolio to place-based investing
- \$101 million deployed for place-based investing; \$92 million of which has supported the production and preservation of almost 2,000 affordable housing units. For example, a \$13 million investment with the Utah Housing Preservation Fund focuses on safe, affordable housing across Utah.
- About \$9 million has supported financial wellness projects, including small business development.

Key Strategies

- Designate a portion of long-term, unrestricted investment funds for community investments, starting in Utah and expanding across the health system's footprint.
- Hire a director of place-based investing to oversee the program and collaborate with community health and treasury departments.
- Provide direct loans to local nonprofit and for-profit businesses and invest in financial intermediaries, including Community Development Financial Institutions (CDFIs) and other mission-aligned organizations focused on affordable housing and financial inclusion in low- and moderate-income (LMI) communities.
- Participate in place-based private equity funds addressing affordable housing, economic development, and other social determinants of health for the benefit of LMI communities.

TRINITY HEALTH

Headquartered in Livonia, MI

Multi-state Community Investing Program

As a Catholic health system, Trinity Health has a long-standing practice of supporting community projects through low-interest loans to reduce the social and economic disparities that cause unequal health outcomes.

[Click here for the HAN case study](#)

Impact

- \$75 million board allocation to community investing, with more than \$67 million deployed and committed to CDFIs and community development organizations as of June 30, 2024.
- As of 2024, through Trinity Health loans and partner leveraged loans, community investments have:
 - Supported the creation and/or preservation of more than 12,100 units of affordable housing, including 245 supportive housing beds since 2019
 - Created or retained at least 1,100 childcare slots, 7,000 K-High School education slots, and 1,500 early childhood education slots

- Developed at least 7.3 million square feet of general real estate since 2018
- Since 2014, provided 872 students with just under \$2.5 million in scholarships through the Fresno State and Boise State scholarships funds

- CDFI partners have leveraged \$40.6 million of Trinity Health's community investments at a ratio of 23 to 1, investing more than \$970 million in priority and high priority communities (low-income and/or minority populations) since 2018.

Key Strategies

- Designate a portion of long-term, unrestricted investment funds for place-based investing.
- Invest in high impact projects directly and through CDFIs in priority markets.
- Deploy a CDFI partner census on an annual basis to monitor deployment and impact in priority communities.
- Staff the program at the system level and engage leaders of local ministries.
- Embed place-based investing within broader community health strategy.

UMASS MEMORIAL HEALTH

Headquartered in Worcester, MA

Community Investment Program

UMass Memorial Health (UMMH) formally launched its anchor mission strategy in 2018. UMMH's place-based investing program aims to improve the health of residents living in economically challenged neighborhoods within UMMH's service area by investing in social determinants of health.

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Impact (as of 2024)

- Allocated \$8 million of its investment portfolio, with \$4.8 million deployed

Examples include

- \$400,000 line of credit for Worcester Common Ground to purchase vacant or blighted properties and rehabilitate them for first-time homeowners
- \$500,000 loan to Creative Hub Worcester to support the rehabilitation and conversion of a historic building to a multiuse community center for at risk youth and local artists
- \$500,000 in guarantees for the \$6 million Finally Home Fund, which will develop 103 housing units for chronically homeless individuals in Worcester, MA
- \$300,000 loan to the Tiny Home Village, a \$4.6 million joint venture of a local Community Development Corporation (CDC) and a for-profit developer that will create 16 tiny homes for the chronically homeless as part of the Finally Home Fund

- Helped secure \$28 million of federal stimulus funding for housing in Worcester, MA as part of a local coalition policy advocacy effort. Funding will support an Affordable Housing Trust Fund, housing rehabilitation, first-time homeowner assistance, and homelessness support, among other initiatives.

Key Strategies

- Designate a proportion of long-term, unrestricted investment funds for place-based investing.
- Make direct investments in CDCs, local nonprofits, and for-profit developers.
- Utilize Social Vulnerability Index (SVI) data to understand areas of greatest need.
- Align investment decisions with findings from the Community Health Needs Assessment and Improvement Plans.
- Leverage investments to drive upstream improvements in social drivers of health (e.g., affordable housing and first-time home ownership, employment opportunities in under-employed communities, and a transformed food system).
- Establish committees at local hospitals to build local champions and source investment opportunities from the community.



Strategies for Getting Started

Educating and engaging leadership is an important first step to socialize place-based investing concepts, and build an understanding of the local investment needs and ecosystem and the role of the health system in bringing affordable and flexible capital to the community. The most common initial barrier to getting started on a place-based investing strategy is comfort with the concept.

- Host an educational session or workshop on place-based investing for executive leaders to ground the group in key terms and concepts and the role that health systems can play in the place-based investing ecosystem.
- Assemble a discovery team that includes leaders from treasury and finance, community engagement or community health, and social impact departments to work collaboratively to shape a place-based investing strategy.
- Develop relationships with and shift cash deposits to local, mission-driven community banks and credit unions that provide key financial services and resources to underserved communities.

Building a pipeline of investment opportunities includes working in partnership with community organizations, city officials, local housing agencies, local banks, and community development finance experts to surface and source projects in alignment with community priorities in areas the health system serves.

- Consult with community investment experts, networks or coalitions, impact investors, and local foundations, to better understand the capital investment needs in the community and opportunities for collaboration.
- Develop an internal policy and criteria for allocating funds and evaluating place-based investing opportunities.
- Pilot initial investments in low-risk, fixed-income products offered by CDFIs in alignment with the system's and the community's investment priorities.

[For a list of sources, click here](#)