

Place-based Investment

Align your institution's financial and operational resources to address the upstream economic determinants of poor health

Health systems are uniquely positioned as leading employers and economic engines in their communities. In addition to providing quality healthcare, they can leverage institutional resources to help address the economic, racial and environmental resource disparities that impact community health outcomes.

The Business Impact Case

- Further align capital with sustainability, diversity and inclusion, and community benefit priorities
- Achieve a more diversified and impactful investment portfolio
- Improve financial sustainability of community partners
- Improve employee morale through stronger community connections
- Position your institution for the long-term shift from “volume to value”

Strategies for Getting Started

Shift deposits of cash and cash equivalents to local community banks and credit intermediaries that provide key financial services and resources to under-served communities.

Invest in low-risk, fixed income products offered by community development financial intermediaries (CDFIs).

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

When an institution is linked to the long-term well-being of the community it calls home, both the institution and the community can benefit when existing resources are leveraged creatively to address key issues.

Long-term Community Benefits

Place-based investing creates healthy and thriving communities by increasing available capital for positive social, economic, or environmental impact across a wide range of areas:

- Supporting local and diverse business development
- Empowering low-income people to create, manage, and own enterprises
- Addressing social determinant of health needs such as affordable housing and food security

Over time, take an integrated capital approach to maximize local impact by coordinating investments across asset classes with grants, technical assistance, and other supports.

Here's how some leading health systems are using their investment assets to improve their communities' overall health and well-being:

**LEGACY DIGNITY HEALTH
(now part of CommonSpirit Health)
San Francisco, CA**

Community Investment Program: Issued \$250 million to support economic development in low-income communities over the life of this program, which began in the early 1990s.

Investment Allocation:

Set a provision to allocate 5% of investable assets for community investments.

Key Strategies/Investment Vehicles:

- Secured and unsecured loans
- Intermediary investment (CDFIs)
- Direct and indirect loans
- Line of credit
- Loan guarantees
- Linked deposits (credit unions and community banks)
- Equity capital

**TRINITY HEALTH
Livonia, MI**

Community Investments: Allocates investments to financial intermediaries that focus on community and economic development. Investments support affordable housing, healthy food access, transit-oriented development, access to higher education, and more.

Investment Size/Allocation:

\$36 million deployed to date; current allocation is 1% of its total operating investment portfolio

Key Strategies/Investment Vehicles:

- Intermediary investment (CDFIs)
- Coordinate community benefit
- Community, multi-sector partnerships receive a combination of grants, loans, and technical assistance through the Transforming Communities Initiative.

**RUSH UNIVERSITY MEDICAL CENTER
Chicago, IL**

Impact Investing Program: As part of a holistic anchor strategy, Rush provides low-interest capital to financial intermediaries to investment in community-based organizations and projects in Chicago's West Side in order to build community health and economic wellness.

Investment Size/Current Allocation:

\$2 million to date (goal is \$6 million or 1% of long-term investible assets)

Key Strategies/Investment Vehicles:

- Intermediary investment (CDFIs)
- Helped form a multi-anchor collaborative, West Side United, and organized a collaborative impact investing strategy in high-need neighborhoods on the West Side of Chicago.
- Created committee to vet projects that included staff members that lived in the neighborhoods.