

SAN FRANCISCO FOUNDATION ANNOUNCES \$50 MILLION IMPACT INVESTING POOL TO DEEPEN ITS COMMITMENT TO RACIAL EQUITY AND ECONOMIC INCLUSION

March 13, 2019 by [Ling Woo Liu](#)

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For Immediate Release

SAN FRANCISCO, March 13, 2019—Today, the San Francisco Foundation announces a \$50 million investment from its endowment in a new mission-aligned investments pool that aims to generate positive social and financial returns.

Traditional philanthropy, government, and capital markets must all work together to address today's complex social challenges. As a civic leader, the San Francisco Foundation takes a holistic approach to advancing racial equity and economic inclusion in the Bay Area. Aside from grant funding, donor engagement, advocacy, and multi-sector partnerships, its diligent stewardship of the assets to which it is entrusted, along with strong performance, mean that the foundation can make an even greater impact on the Bay Area.

"The scope and complexity of the issues that we are trying to address in the Bay Area require us to use all of the tools in our tool belt," says foundation CEO Fred Blackwell. "We see investing in a values-aligned manner as part of how we achieve our overall mission and we don't think we have to sacrifice returns."

The foundation's commitment to impact investing began with a loan program for nonprofits in 1989, nearly 20 years before the term "impact investing" was coined. Its Bay Area Community Impact Fund, a program-related investments program, has to date loaned \$12.5 million to organizations advancing equity in the Bay Area. The foundation recently committed an additional \$10 million to this program with the goal of tripling its local impact investments in the next few years.

Today's \$50 million announcement — 6.3% of the foundation's \$800 million endowment — represents a sizable and deepened commitment to impact investing, particularly when compared to the overall sector. A survey released earlier this month by Exponent Philanthropy found that just 17 percent of foundations are engaged in impact investing.

The new pool is comprised of a diversified portfolio of managers using a variety of impact investment and socially responsible strategies, including social screens and Environmental, Social and Governance (ESG) considerations. The foundation has and will continue to seek out investment firms owned by women and people of color—two groups that have historically faced barriers to accessing capital.

The pool will avoid investments in predatory lenders, private prisons, tobacco companies, retailers that sell assault weapons to the public, and fossil fuel companies. Initially, the pool will invest in public equities and public debt. Over

time, illiquid investments, such as private equity, will be added to provide targeted social impact. The targeted risk-adjusted return for the pool is 7% to 8%.

The foundation aims to continue growing the pool, which is also available to donors with donor advised funds at the foundation.

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With more than \$1.5 billion in assets, the San Francisco Foundation is one of the largest community foundations in the country. The foundation is committed to expanding opportunity and ensuring a more equitable future for all in the Bay Area. Together with its donors, the foundation distributed \$154 million to nonprofit organizations last fiscal year. The San Francisco Foundation serves Alameda, Contra Costa, Marin, San Francisco, and San Mateo Counties.