



2014 SOCIAL IMPACT REPORT

# \$1 Billion for Good



**In February 2014 our investors collectively reached an important milestone: they surpassed \$1 billion in investments and reinvestments of their Community Investment Notes, the vehicle through which they invest in the causes and places they care about.**

Our 2014 Social Impact Report uses the \$1 billion mark as a jumping off point to trace where this investment came from, where it's going, and the impact that it's creating in communities across the U.S. and around the globe.

We've offered the Note since 1995 with the goal of making community and impact investing accessible to anyone, regardless of their wealth or level of financial sophistication. Since then, thousands of individuals, financial institutions, nonprofits, faith-based institutions, foundations, and businesses have invested in the Note, aligning their investment goals with their values.

Opening with the **Where it Comes From** section, we explore where the \$1 billion has come from during the past 20 years: the channels through which investors purchased the Note, the different types of investors and their demographic makeup, and finally what matters to those people and institutions, in their own words.

**Where it Goes** focuses on where our investors' collective dollars go, both in terms of geography and the types of organizations that benefit from their investment.

**What it Does** is the heart and soul of the report, presenting the on-the-ground impact of our investors' dollars both quantitatively and qualitatively.

Whether you're an investor, portfolio partner, donor, financial advisor, or simply a Facebook fan, you've played a role in reaching this milestone. Thank you. We sincerely appreciate your support for the first \$1 billion, and can't wait to count your investment among the next billion.

Visit the full interactive version of this report:

→ [bit.ly/cfdn-impact](https://bit.ly/cfdn-impact)

**“As Calvert Foundation’s first investor, I’ve been there since the beginning. It’s been incredible to watch the impact investing movement gather steam over the past 20 years.”**

**Ken Scott**

First Community Investment  
Note investor



# WHERE IT COMES FROM

\$1 billion invested for social good began with a \$1,000 investment by Ken Scott, the first investor in the Community Investment Note.

Like most social enterprises, our formative years were characterized by “friends and family” relationships including charitable foundations, faith-based organizations, and socially responsible mutual funds. In 2005 we signed an agreement with InCapital to offer the Note through their national network of brokerages, which increased the appeal of the Note to financial advisors and brokers investing on behalf of their clients. In 2007, the online broker/dealer MicroPlace began offering impact investments, including the Note, creating a true retail option for people.

Since Ken first invested in 1995, more than 15,000 others have joined him, representing an ever-broadening spectrum of individuals, financial institutions, foundations, corporations, nonprofits, and faith-based organizations. While their motivations for investing are diverse and often deeply personal, these investors do have a single commonality: they are part of a growing movement that believes we can do better things with our money. Through campaigns like Ours To Own and our new online sales channel Vested.org, we’re proud to serve this growing movement and empower anyone to invest for social good.

At the end of 2013, 5,800 investors had \$238 million invested in Community Investment Notes.



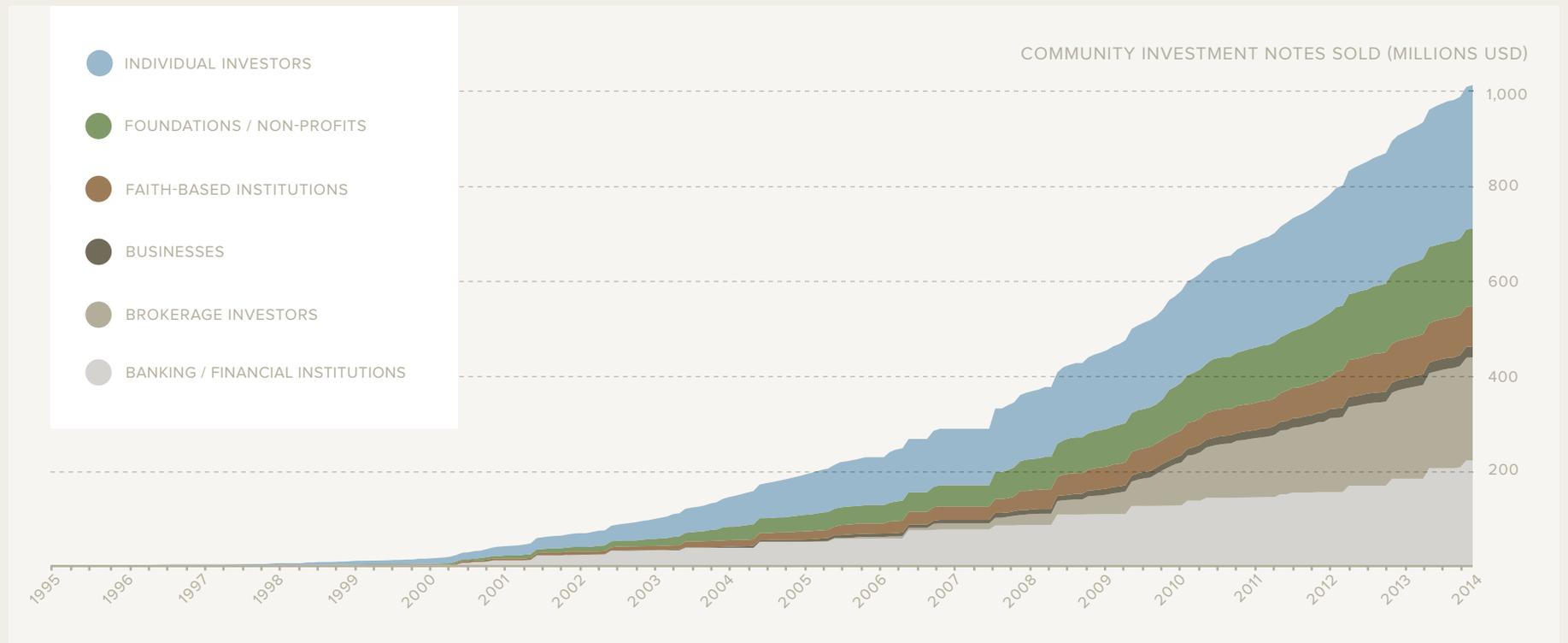
“Investing is an extension of our faith and mission to positively impact underserved communities.”

**Cathy Rowan** TRINITY HEALTH CORPORATION

## INVESTMENTS OVER TIME

By the end of February 2014, investors had invested more than \$1 billion through the Community Investment Note. 78% of these 15,000+ investors were individuals. \$770,128,430 of Notes were

purchased directly with Calvert Foundation, \$215,134,867 through brokerage accounts, and \$17,106,205 online.



### 1995

Community Investment Note program opens, and Ken Scott becomes first investor.

### 1998

Community Investment Note Private Label Program begins, giving mission-aligned partners a sustainable investment option for their communities.

### 2001

Calvert Giving Fund, the first Socially Responsible and Community Investment Donor Advised Fund, launches.

### 2005

Brokerage account investing becomes available through a distribution agreement with InCapital.

### 2007

MicroPlace launches online platform for impact investing; Calvert Foundation becomes first issuer.

### 2014

Note investments and reinvestments surpass \$1 billion in February 2014.

# WHERE IT GOES

Since 1995, Calvert Foundation has invested \$755 million in 455 organizations and funds — mostly in the U.S. — and has reached 80 countries through our portfolio partners. Since the first loan to Portland, Oregon-based Central City Concern in 1997, our lending strategy has continuously evolved to meet the needs of our portfolio partners and current market conditions, while also remaining nimble to respond to unexpected challenges and opportunities. The 2005 Gulf Coast Recovery Initiative, for example, was created to connect investors with redevelopment efforts in the Gulf Coast area following Hurricane Katrina.

As of year-end 2013, Calvert Foundation's portfolio totaled \$210 million, with 179 investments. Most of that lending has been through Community Development Financial Institutions

(CDFIs), who understand their communities' needs and can respond with lending that addresses those needs. Internationally, partnerships with MicroVest and Alterfin have streamlined our investments in microfinance and fair trade, respectively, enabling us to make our operations more scalable and sustainable.

2013 also saw the growth of participation lending with organizations like Capital Impact Partners and Low Income Investment Fund, that move money effectively to the communities and individuals who need it.

Recognizing our unique ability to work with investors, we have begun tailoring our lending strategy to align with the causes and places that people are most interested in supporting.

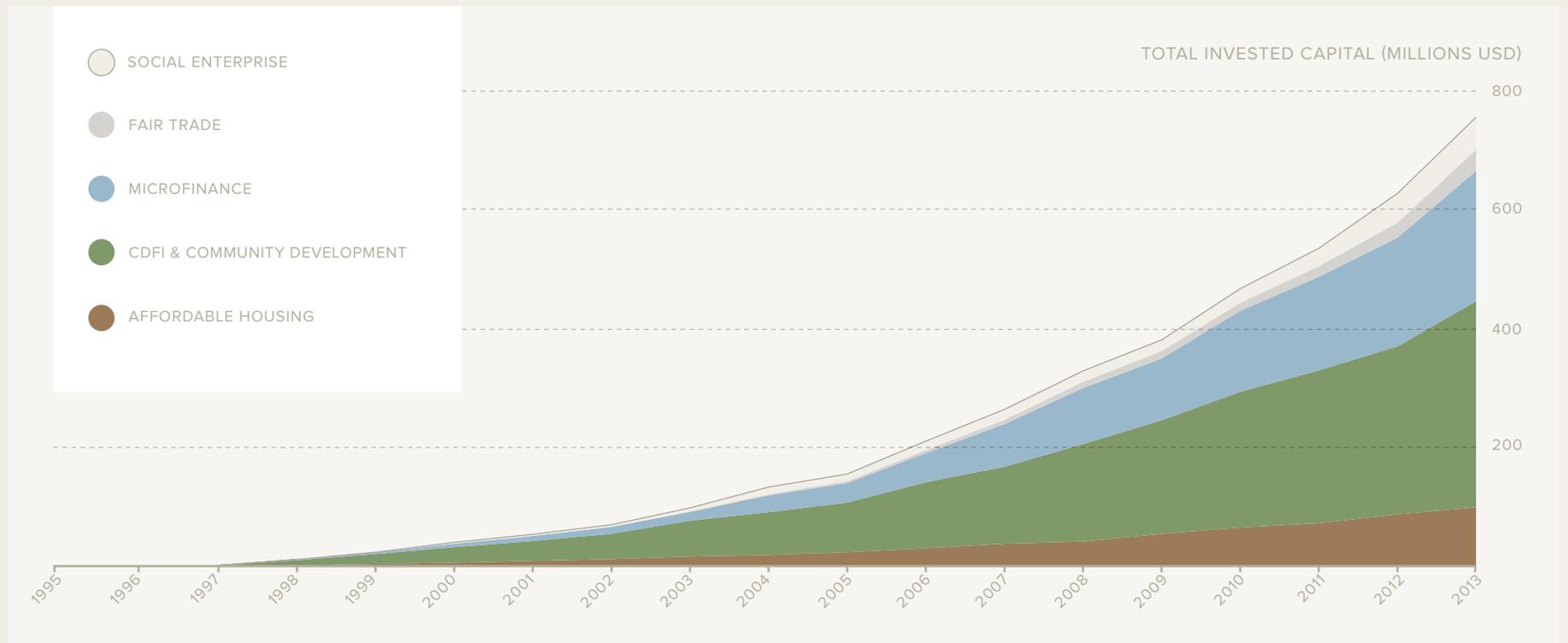


“The Columbia Bank’s investment is supporting community development in our hometown of Baltimore.”

**Bryan LePage** THE COLUMBIA BANK

## WHERE IT GOES BY SECTOR

Since 1995 we have put \$755 million of capital to work in the U.S. and more than 80 countries through 455 organizations and funds.



### 1995

Calvert Investments transfers \$3 million of loans to Calvert Foundation.

### 1997

Calvert Foundation makes its first loan to Central City Concern.

### 2000

First \$1 million loan made; to Oikocredit for \$1.3 million for three years.

### 2004

First direct fair trade loan made to La Central de Cooperativas Cafetaleras del Norte (CECOCAFEN) in Nicaragua.

### 2010

\$200 million Communities at Work Fund launches to spur small business lending and jobs creation.

### 2014

Calvert Foundation receives the highest rating possible CARS® rating for community impact/methodology.



Visit the interactive version of this map at

→ [map.calvertfoundation.org](https://map.calvertfoundation.org)

## GEOGRAPHIC AND SECTOR REACH

Calvert Foundation's investments flow through Community Development Financial Institutions, microfinance institutions, cooperatives, affordable housing developers, and impact investing

funds to reach end beneficiaries. These sectors represent the different types of impacts that our investment partners achieve. Visit our online map for more information.



### AFFORDABLE HOUSING

Affordable housing lowers monthly costs for low- and moderate-income families. At year-end 2013 we had \$59 million invested in affordable housing, which helped to house more than 4,400 people.



### MICROFINANCE

Microfinance Institutions (MFIs) connect millions of people around the world with financial services. At the end of 2013 we had \$64.3 million invested both directly and indirectly through funds.



### SMALL BUSINESS / JOB CREATION

Small businesses in the U.S. employ roughly 50% of the working population. Calvert Foundation invests in some of the nation's strongest CDFIs, who in turn direct their capital to their communities' small business needs. At year-end 2013, we had \$22.9 million invested in small business and jobs creation, which led to 392 businesses receiving financing, and the creation or retention of 2,051 jobs.



### EDUCATION

For at-risk youth in urban communities, public charter schools often represent a better alternative to underperforming schools. As of December 2013, we had \$8.9 million invested in seven public charter schools operating in some of the most underserved areas of Los Angeles.



### FAIR TRADE

The fair trade movement connects producers and buyers of goods in order to foster more equitable trade. At year-end 2013, Calvert Foundation had \$9.8 million invested in fair trade, with \$5.8 million invested directly in seven cooperatives in Peru and Honduras.



### WOMEN

It's been proven that investing in women is smart economics. Through the Women Investing in Women Initiative (WIN-WIN), Calvert Foundation has invested more than \$20 million in enterprises that empower women through their programs or governance.

# WHAT IT DOES

\$1 billion in investor capital creates social good in numerous ways. From the inner-city student who is receiving higher quality education to the smallholder farmer in Honduras who has learned to farm organically, we're able to generate a variety of positive outcomes through the vision of our investors and the capabilities of our portfolio partners.

Alone, we can't possibly trace our investors' dollars from their bank accounts to the ground level where those dollars ultimately go to work. As a financial intermediary, we help capital move efficiently to create positive outcomes — the

small business owner who receives a much-needed loan, or the family that finally has a safe, affordable place to live, for example — but we don't act as the “boots on the ground” in those communities. For that reason, we depend on our partners to communicate the social and environmental benefits of their work.

The results of their work speak for themselves in the form of statistics and stories about the incredible difference they're making in communities worldwide.



“We’re proud that our high-impact investment in Calvert Foundation is helping others join in meeting the needs of underserved populations and communities.”

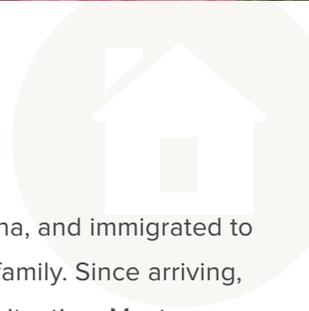
**Debra Schwartz** MACARTHUR FOUNDATION



## BRIDGE HOUSING

### AFFORDABLE HOUSING

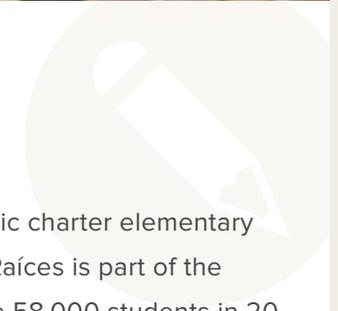
In 1999, Andy Choy left Guangzhou City, China, and immigrated to San Francisco in search of a new life for his family. Since arriving, Andy has struggled to find a stable housing situation. Most recently, the Choy family lived in an area that was not convenient to public transportation, making it difficult for his family to get to school and work. But in July 2012, Andy's family was able to settle into an affordably priced two-bedroom apartment at the Fell Street Apartments. Now Andy bikes just a mile to work, and enjoys the benefits of living in the heart of the city — an option he knows is increasingly less affordable for families like his. One day, Andy hopes to become a homebuyer. He knows it won't be easy, but Andy is accustomed to hard work.



## KIPP RAÍCES ACADEMY

### EDUCATION

KIPP Raíces Academy is a tuition-free public charter elementary school located in East Los Angeles. KIPP Raíces is part of the KIPP family of charter schools, which serve 58,000 students in 20 states and the District of Columbia. KIPP Raíces opened during the 2008-09 school year to serve K-1st grade students, 90% of whom are eligible for free and reduced-price lunches based on Federal Poverty rate guidelines. KIPP Raíces recently expanded to a new permanent site, enabling it to expand to K-4th grades and increase its enrollment from 201 to 500 students. KIPP Raíces is the first KIPP elementary school in California and the first charter elementary school in East Los Angeles.





## BANCO SOLIDARIO

### MICROFINANCE

Consuelo Pazmiño owns a delicatessen and a café in the Ibarra province of Ecuador. She opened the delicatessen, which offers local candy and baskets, 32 years ago. The café is only two years old, but also shows promise. Her mother, Doña Aida Pazmiño has run a booth for 50 years on the same street. Consuelo used to use a credit card to pay businesses expenses, and found herself constantly in debt. “I started to spend more than I had and then I couldn’t pay it back!” Now, with a loan from Banco Solidario, she is learning to manage her finances more carefully. “All of the loans are invested in my business, so I’m in good standing” Consuelo points out. Through her efforts, she has bought a house, grown her café business, and purchased a van. The van serves as Consuelo’s mobile storefront, allowing her to set up shop anywhere she can park to take advantage of the hungry crowds.



## CAFÉ ORGÁNICO MARCALA SA (COMSA)

### FAIR TRADE

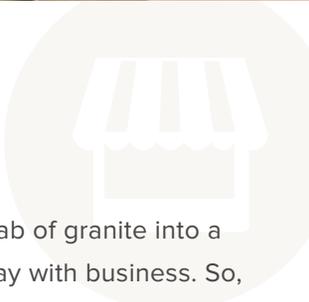
Honduras-based Café Orgánico Marcala SA (COMSA) is a fair trade-certified coffee cooperative that currently has roughly 800 members. COMSA focuses on transitioning traditional coffee producers into organic coffee producers. In doing so, COMSA is reducing environmental contamination resulting from non-organic coffee processing practices. COMSA is committed to teaching sustainable practices to its members and neighboring farmers, while ensuring that the lives of its members and their families are improved. The land used by COMSA farmers is arid, dry and difficult to cultivate, but thanks to practices championed by the cooperative, farmers still manage to produce high-quality organic coffee.



## MONTANA CDC

### SMALL BUSINESS / JOB CREATION

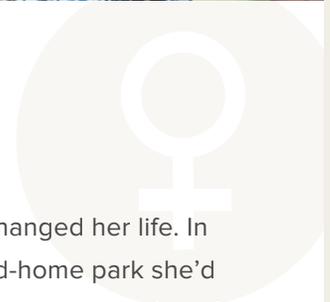
Kasey Buoy of Victor, Montana can turn a slab of granite into a work of art. His wife, Flora, has a magical way with business. So, barely out of college, they started their own business, Alpine Granite Accents. Starting in their garage, they slowly expanded into a small shop. Soon, they outgrew their space and found a 2.5 acre piece of property for a showroom and their manufacturing facility. Kasey and Flora went to their local bank but couldn't get the financing they needed. But through a partnership, the bank and Montana CDC were able to get Flora and Kasey the necessary loans. Montana CDC's flexible lending allowed Alpine Granite to get on its feet. Today the loan to Montana CDC has been paid off and business is thriving. Flora and Kasey have five full-time employees and plans to grow even bigger.



## COMMUNITY LOAN FUND

### WOMEN

Audra Anderson says leadership training changed her life. In August 2013, residents of the manufactured-home park she'd called home for 19 years bought their community with a loan from the New Hampshire Community Loan Fund. Audra was elected secretary of the cooperative, volunteered for four committees and created another one to encourage residents to help one another. She also applied for the annual leadership training conducted by ROC-NH, the Community Loan Fund's resident-owned-community program. That training, she says, helped her understand that leadership sometimes means stepping aside to create space for others to lead. So, Audra is stepping down from her co-op's board. She'll use the extra time, and the college credits she earned in the training, to return to college.



# IT COMES BACK

98%

PORTFOLIO REPAYMENT RATE  
SINCE 1995

100%

REPAYMENT TO INVESTORS  
SINCE 1995

82%

REINVESTMENT RATE OF MATURING  
INVESTMENT DOLLARS

The story doesn't end with the small business owners, fair trade farmers, or inner city students. It continues as our portfolio partners repay their loans, and we repay our investors their principal, plus interest. Since 1995, our portfolio partners have maintained a greater than 98 percent repayment rate,

and we've maintained a 100 percent repayment rate to our 15,000 investors. In 2013, investors *reinvested* more than 82% of their maturing investment dollars. Through their dollars they continue to create financial and social returns for themselves and the causes and places they care about.

Ready to invest?

Visit [CalvertFoundation.org/invest](http://CalvertFoundation.org/invest) or [Vested.org](http://Vested.org) to get started.



**“Investing is another way  
to support the causes that  
matter to me.”**

**Nora Koçi**

Vested.org investor



7315 Wisconsin Avenue  
Suite 1000W  
Bethesda, Maryland 20814  
Phone: 800.248.0337  
Fax: 301.280.6061  
[www.calvertfoundation.org](http://www.calvertfoundation.org)

Find us on Facebook  
[facebook.com/calvertfdn](https://facebook.com/calvertfdn)

Follow us on Twitter  
[@calvert\\_fdn](https://twitter.com/calvert_fdn)

Connect on LinkedIn  
[linkedin.com/company/calvert-social-investment-foundation-inc](https://linkedin.com/company/calvert-social-investment-foundation-inc)

## METHODOLOGY

Our goal is to accurately and effectively communicate the impact that your investments are creating in communities. We use industry-aligned indicators and best practices to collect the most relevant performance data and ease the reporting burden on our investees. Metrics reported are estimates based on self-reported data in 2013. To learn more about our methodology for collecting and reporting our impacts, visit [www.calvertfoundation.org/impact](http://www.calvertfoundation.org/impact).

Cover photo courtesy of Grassroots Business Fund; page 8, L-R courtesy of Bridge Housing and Ethan Pines, pages 10-11, L-R courtesy of Banco Solidario, COMSA, Montana CDC, and Kate Harris for Community Loan Fund. Report design: Ben S Johnson. Map and visualizations: Simbiótica. Data analysis, writing, and editing: Kevin Fanfoni, Sebastian Green, Mary Blackford, Justin Conway, Jennifer Pryce, Shashwat Koirala, and Andrew Parrucci for Calvert Foundation.

CALVERT SOCIAL INVESTMENT FOUNDATION, A 501(C)(3) NONPROFIT, OFFERS THE COMMUNITY INVESTMENT NOTE, WHICH IS SUBJECT TO CERTAIN RISKS, IS NOT A MUTUAL FUND, IS NOT FDIC OR SIPC INSURED, AND SHOULD NOT BE CONFUSED WITH ANY CALVERT-SPONSORED INVESTMENT PRODUCT. THIS REPORT IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THESE SECURITIES; THE OFFERING IS MADE ONLY BY THE PROSPECTUS, WHICH SHOULD BE READ BEFORE INVESTING. DUE TO BLUE SKY REGULATIONS, THE CURRENT OFFERING OF THE COMMUNITY INVESTMENT NOTE MAY NOT BE OFFERED IN ALL STATES.

