

LETTER

FUND

COHORT

FIELD

FUNDERS

THANKS



Dear Friends,

In reflecting upon my first year at Boston Impact Initiative, two things have stood out: our role in moving the impact investing field towards the arc of economic justice; and our responsibility to advance financial, social and political power among the New Majority – which we define as people who identify as Black, Indigenous, Latino/a, and Asian.

Since 2013, Boston Impact Initiative has pioneered innovative ways to promote the flow of capital to small businesses as a tool for closing the racial wealth divide. While doing this, we have centered the values of solidarity and mutuality, bringing the relationships with our stakeholders into the center of our work. In 2021, we did this in our three core program areas: our local impact investing fund; the Integrated Capital Fund-Building Cohort; and our national field-building work.

As we navigated through another year impacted by COVID's aftermath, our portfolio stood strong, showing resilience and adaptation to our ever-changing economy. As we look back at 2021, we are proud to have invested \$1.4 million in 14 social enterprises, and a total of \$7.1M into 63 investments over the life of our fund. We strengthened our technical assistance program to provide the knowledge and social capital needed for our enterprises to stabilize and increase their impact. In October, we completed the Integrated Capital Fund-Building Cohort Program with participants from initiatives all across the U.S. and we are providing ongoing support to the Cohort. We expanded our national practitioner and funder learning by hosting numerous Integrated Capital Card Games.

Our mission of using integrated capital to build regenerative and equitable local economies has never been more important. The deep relationships with entrepreneurs, partners and communities who reflect the voices of the people we serve, is the foundation for advancing our mission. As we look to the future, we will focus on expanding our work with a second integrated capital fund and by influencing the field of impact investing through education, policy and practice that drives economic justice.

Warmly,



Betty Francisco
CEO

IMPACT REPORT ARCHIVES

[2020](#)

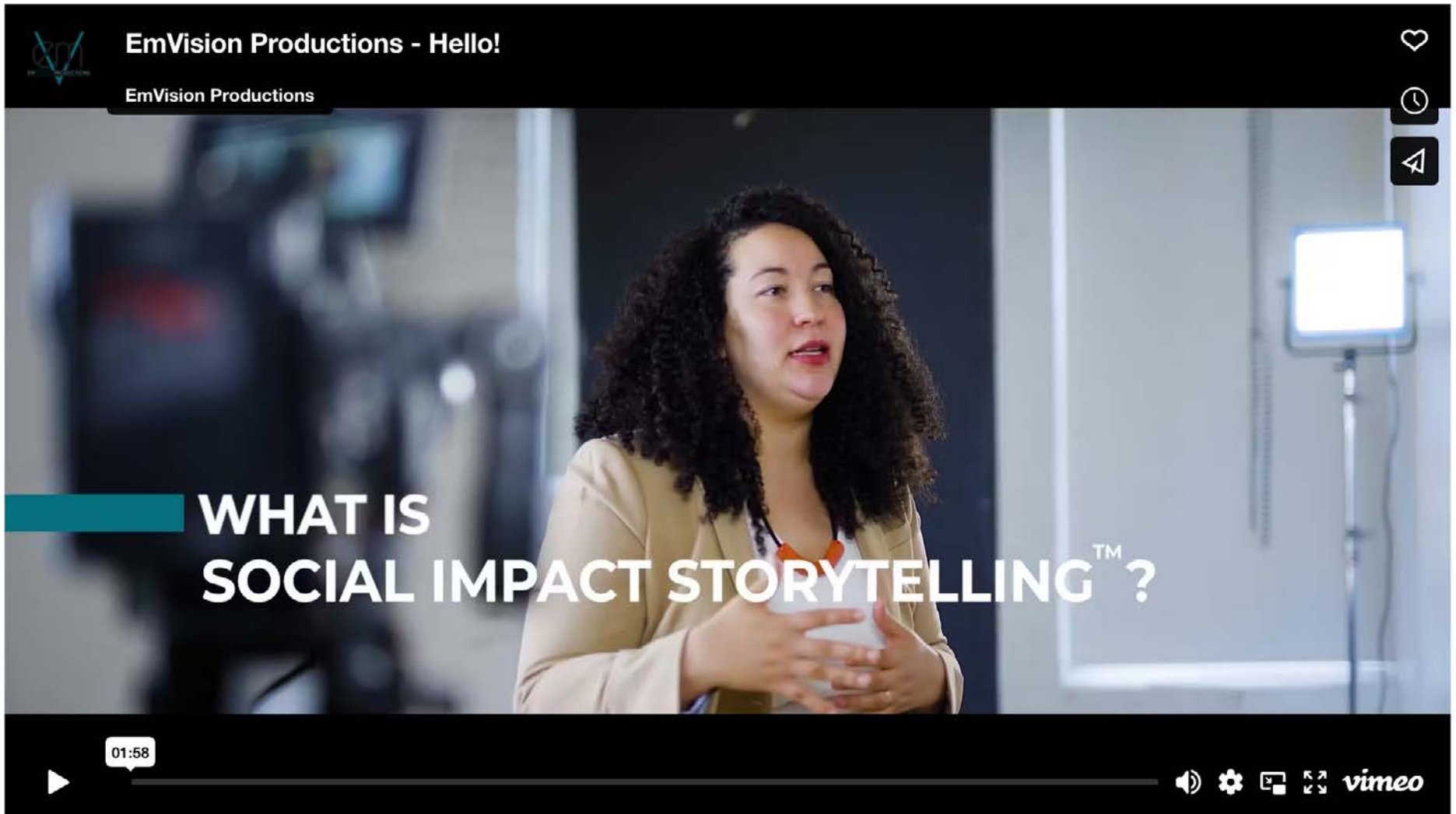
[2019](#)

[2018](#)



BII ENTREPRENEURS GREW AND EXCELLED

BII Fund makes impact investments into small businesses in Eastern Massachusetts in order to help close the racial wealth divide. We believe we can build a sustainable, inclusive and equitable economy by investing integrated capital in regenerative local enterprises that restore the productive capacity of communities of color.



EmVision Productions' Social Impact Storytelling™ framework is rooted in science and social justice.

“ BII has been an essential player in filling the gap between traditional lending & mission based capital. They've helped the Chelsea Business Foundation to execute on our mission; supporting folks that drive the economy. Because of their assistance, we're able to put \$1M into the hands of the Latino and small businesses of Chelsea. BII's ability to be creative, and provide innovative solutions allowed us to serve the essential businesses of Chelsea in one of the most dire moments of their existence, COVID.”

— Carlos Matos
CEO, Chelsea Business Foundation

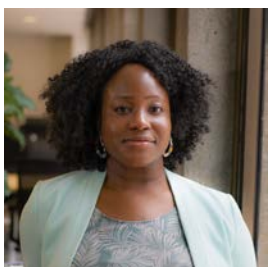
PORTFOLIO HIGHLIGHTS



Sunwealth was named to the [2021 ImpactAssets 50](#), a national leading list of impact fund managers. They were also named [Member Company of the Year](#) by Solar Energy and Business Association of New England (SEBANE) for their work bringing solar access and green jobs to our communities.



Meetcaregivers raised over [\\$1M](#) from Mass Mutual's Catalyst Fund and other investors, making CEO Florence Furaha one of relatively few Black women to raise over \$1M in 2021.



CareAcademy was named on [Inc. Magazine's Best in Business](#) list in the Education category.



CERO Cooperative won two large university composting contracts: [Northeastern University](#) and Boston University. These partnerships helped them divert over 5,000 tons of food waste from landfills.



Caribbean Integration Community Development's opened their first affordable housing development to residents. The majority of residents at [Cote Village in Mattapan](#) make 60% or less than Area Median Income (AMI).



Futuro Media Group won awards and recognition for their original podcasts: episodes of Latino USA won an [Edward R. Murrow Award](#) and a [Gracie Award](#); and Futuro Studios podcasts landed on the Atlantic's Top 50 Podcasts of 2021 and New Yorker's Best Podcasts of 2021.



Roundhead Brewing, Latino-owned brewery, will open in Hyde Park later this year.

“ Boston Impact Initiative has been an instrumental partner for us in growing a company that walks the talk of equity and transparency being as crucial to the success of our company as our revenue and growth. They are truly an investor at the intersection of purpose and profit.”

— Helen Adeosun
CEO and Co-founder, Care Academy

PORTFOLIO IMPACT DATA

37 enterprises – including for profits, public benefit corporations, nonprofits and cooperatives – participated in a 45-question Impact Assessment to measure their effectiveness in increasing wealth and power for communities of color. Here are highlights from what we learned about our portfolio.

The portfolio is majority run and staffed by people of color

60% of founders/executives are people of color, and 81% of non-executive employees are people of color

Ownership by people of color and women is strong even after accounting for external shareholders



Note that these groups are not mutually exclusive

WORKER OWNERSHIP

32% of the portfolio provides worker ownership opportunities.

Among those enterprises, ownership by people of color and women is over 25%.



Note that these groups are not mutually exclusive

Total compensation in the portfolio was \$54.8M, attributed mainly due to our increase of jobs in the portfolio.



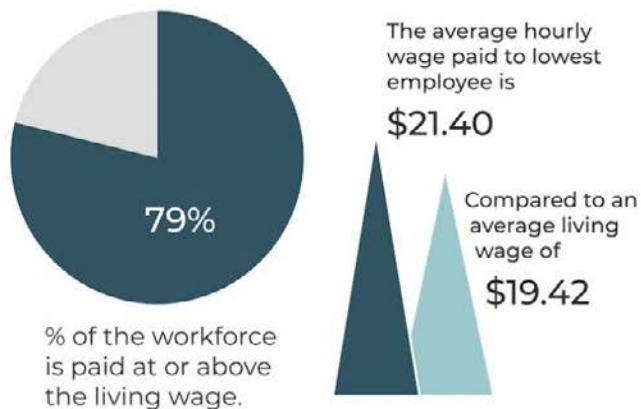
The number of jobs in the portfolio increased 2.5x over 2020 for a total of 1,415 jobs.

JOBS HELD BY:



Note that these groups are not mutually exclusive

The portfolio pays the vast majority of its workers well above a living wage.



Wages are equitably distributed, and there is no gender wage gap.

The compensation ratio of the highest paid to lowest paid person is 2.9 to 1 compared to a national average of 351 to 1. Men and women are paid at a ratio of 1.2 to 1.

Despite continued pandemic uncertainty, most companies stabilized and grew.

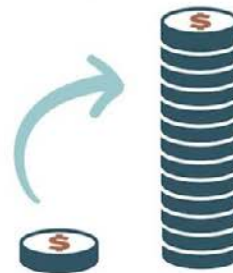
REVENUE GROWTH

Of the 26 enterprises reporting, our portfolio experienced 41% aggregate growth year-over-year.



CAPITAL RAISED

Every \$1 of capital invested by BII leveraged \$13 of follow-on capital.

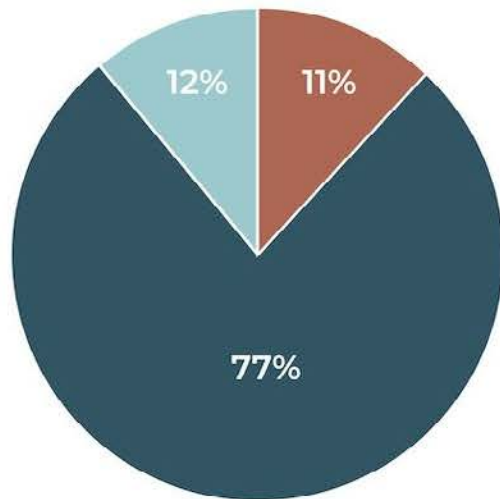


Note: this figure is cumulative and includes exited investments

FUND FINANCIAL HIGHLIGHTS

As of December 31, 2021, BII Fund sold \$6.45 notes to over 115 community investors, high net worth individuals, foundations, and faith-based organizations since inception.

TOTAL INVESTMENTS
\$7.1 M



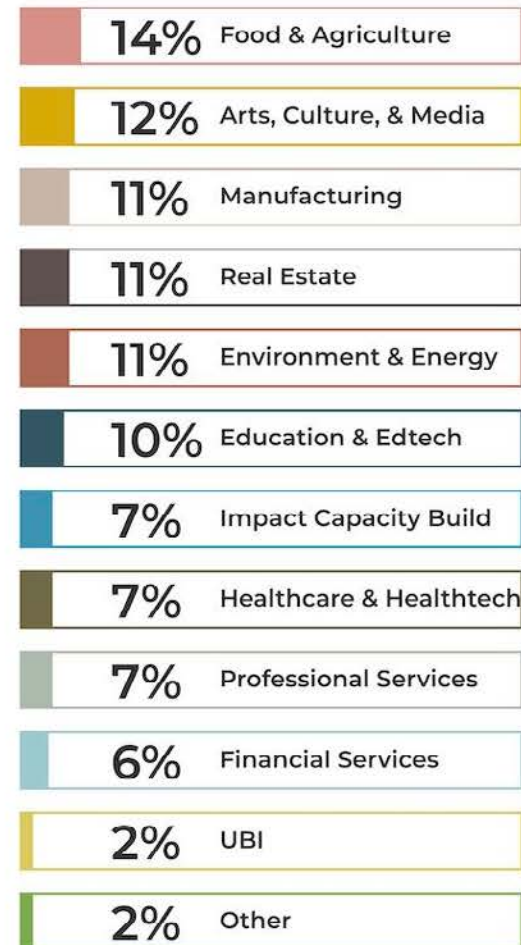
INVESTMENTS BY TYPE:

- EQUITY
- DEBT
- GRANTS

TOTAL INVESTMENTS
\$7.1 M

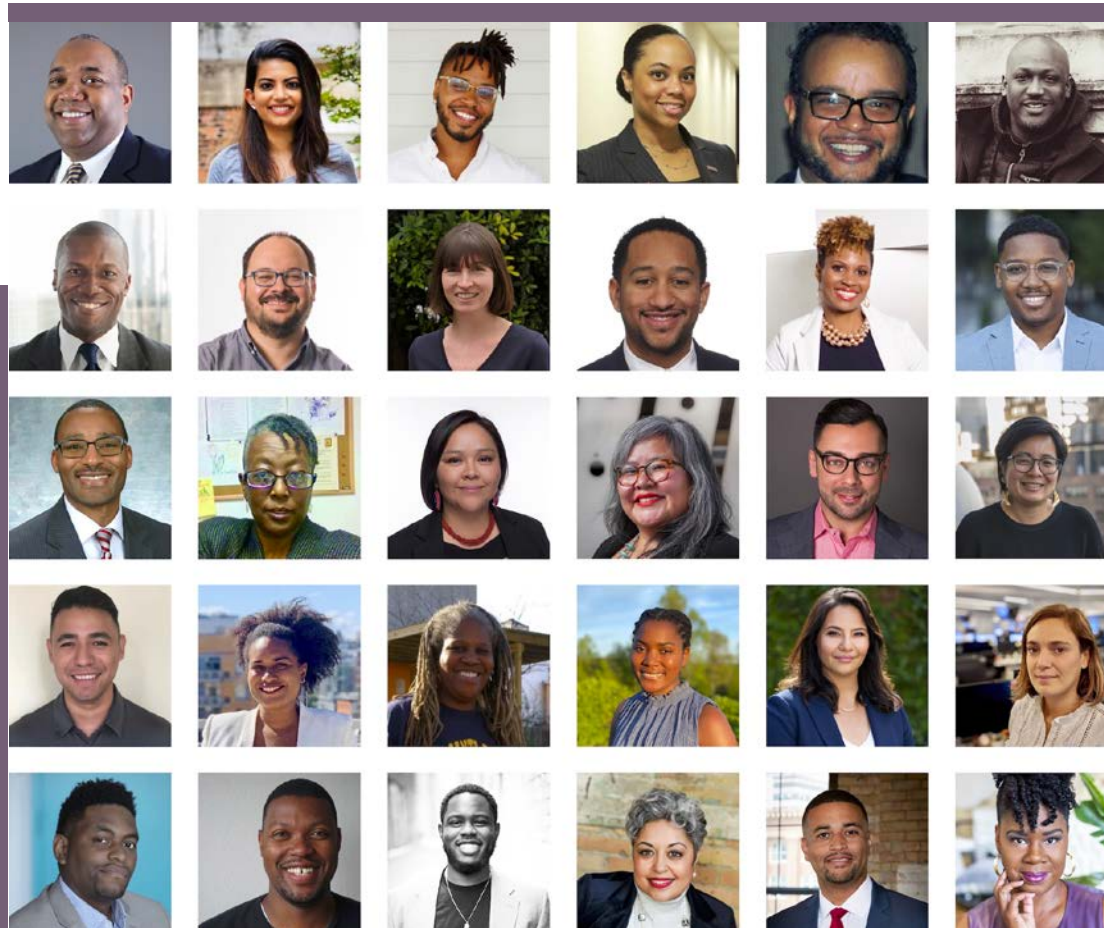
Note: Investments are cumulative since portfolio inception

INVESTMENTS BY SECTOR:



VISIT OUR PORTFOLIO





NEW FUND MANAGERS LEARNED AND FLOURISHED

The Integrated Capital Fund-Building Cohort was an 18-month program that engaged 33 existing and prospective fund managers in developing the financial rigor and multi-stakeholder engagement processes to structure, raise and manage a blended capital fund. Some participants launched pilots in 2021, and several are poised to raise investment capital in 2022. These funds are supporting BIPOC small businesses and building sustainable, inclusive and equitable local economies across the country.



Native Women Lead in New Mexico won the \$10M Equality Can't Wait prize along with two partner organizations!

“ This was the first time I was called a fund manager. It is so hard to break into this work as a person of color. It was great to all learn about finance together. [The cohort] made me believe that I can be a fund manager myself.”

— Avery Ebron
The Guild in Atlanta, GA



Black Farmer Fund partnered with Fair Food Fund to raise a \$1M pilot fund and deployed to eight transformative, Black-owned food and agricultural businesses across New York State.



Kheprw Institute launched the Kheprw Integrated Fund, a 0-1% short-term loan for small businesses and nonprofits in Indianapolis, IN.



The Atlanta Wealth Building Initiative launched an effort to support 1,000 Black-owned businesses in Atlanta either hire their first employee or offer living wages to current workers.



Impact Ventures received several sizable grants to support business accelerator programs and capital investment into underrepresented founders in North Texas, including \$450,000 from Communities Foundation of Texas' W.W. Caruth, Jr. Fund.

“ The BII Cohort was a very approachable and accessible place. I never felt like I was asking a silly question. Come as you are. No shame.”

— Melanie Allen
Black Farmer Fund in New York



Urbane and partners reopened Flatbush Central – formerly Flatbush Caton Market – a marketplace of Caribbean-American micro businesses as part of a new mixed-use building that includes other community spaces and 100% affordable housing in Brooklyn, NY.

“ It was great to see people from communities of color trying to solve community problems, rather than white saviors, which we often see in these positions. It was good to see collaboration between different groups and relationships built; people could say, ‘What’s going on in your city? What are you dealing with?’ And we could share. It can be a lonely journey.”

— Kenny Shelton
Denkym in Seattle, WA

COHORT IMPACT DATA

11 COMMUNITIES

33 COHORT MEMBERS



Cohort participants are almost entirely people of color and half women.



The vast majority of the staff of the cohort funds and initiatives are also people of color.



Note that these groups are not mutually exclusive

OVER
\$8.85 MILLION

was raised by cohort members
for investments.

PARTICIPANT SATISFACTION

92% COHORT
MEMBERS

WERE SATISFIED with the cohort
curriculum and were likely to put the
LESSONS LEARNED during the
BII Fund-Building Cohort into practice.

\$700K WAS
RAISED

by BII and deployed for operations to
the cohort through a participatory
grantmaking process.

10 emerging funds launched before or during the cohort program,
or they plan to launch in 2022.





BII COLLABORATED WITH PARTNERS TO DEEPEN IMPACT IN THE FIELD

BII Fund provides education and training for fellow investors and philanthropists nationwide to challenge conventional beliefs about ownership, competition, profit-making and control—and advance fresh perspectives on democratizing investment, strengthening relationships and building solidarity.

Capital Marketplace - BII piloted the Capital Marketplace with a subgroup of funders from the [Coalition for an Equitable Economy](#) to work together close gaps in the MA financing system.

“ The HBS Impact Investing Fund was excited to have the opportunity to invest alongside BII, given their significant impact experience and resources that go well beyond just capital. Together, we were able to back and support an amazing founder, Wendy Luzon, in realizing her entrepreneurial vision in Casabe Fruit Store & Delicatessen.”

— Emily McComb, Senior Lecturer at Harvard Business School

Just Lending Project - BII and [Lawyers for Civil Rights](#) partnered to develop entrepreneur-friendly lending documents based on solidarity economy values. Our Hackathon in Jan 2022 brought over 20 lawyers together to work on this project.

“ It’s time to innovate our approach to small business lending so that legal documents reflect our values. That’s why we are proud to partner with BII. Together, we are reimagining lending for diverse entrepreneurs, and helping to simplify loan documents so they are accessible and user friendly. We want to make sure legal documents reflect our values of financial inclusion. We are proud to join forces with BII to help close the racial wealth gap,”

— Ivan Espinoza-Madrigal, Executive Director of Lawyers for Civil Rights

CONTRIBUTIONS TO THE FIELD



The Center For Economic Democracy's guide to capital strategies for community power, [Social Movement Investing](#), features BII.



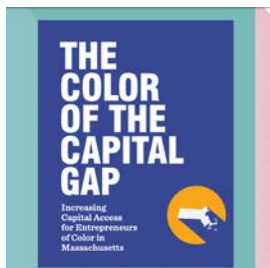
[Grassroots Community Engaged Investment](#), Transform Finance's report features BII as an example of grassroots community engaged investment.



[Back to the Frontier: Investing that Puts Impact First](#), Bridgespan's report features BII in a case study about impact-first options for donor-advised funds.



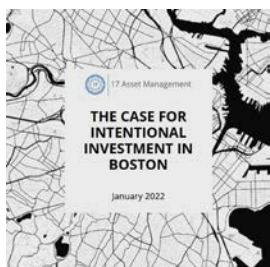
BII was named on [The Transformative 25](#), a list of 25 funds transforming finance for people and planet by the Integrated Capital Network.



As a member of the [Coalition for an Equitable Economy](#), BII contributed to [The Color of the Capital Gap](#), in partnership with Boston Indicators and The Boston Foundation



As a member of the [Coalition for an Equitable Economy](#), BII contributed to [Unleashing the Potential of Entrepreneurs of Color in Massachusetts](#), in partnership with Mass Inc Polling.



17 Asset Management's report, [The Case for Intentional Investment in Boston](#) illuminates scalable investment opportunities that positively impact people of color and lessen the city's above-average income inequality. BII is featured in a case study.



BII was featured as a case study in a report titled [Managing Negative Impact](#) from Pacific Community Ventures (PCV). It summarizes the most promising practices and resources that can help companies and investors integrate negative impact management into their impact measurement and management (IMM)

INTEGRATED CAPITAL CARDS



We launched our [integrated capital card program](#) and hosted 30 Integrated Capital Card games with over 250 participants, ranging from community members, foundation staff, impact investors, students, and business-support professionals. The bilingual (English/Spanish) Integrated Capital Card Deck is made up of 121 cards in 8 suits to help fund managers, funders and impact investors learn how to deploy integrated capital to close the racial wealth divide. . Our goal is to offer the program locally and nationally to expand the field of impact investing with an economic justice lens.

PLAY WITH US!

Special thanks to our funders who make our field-building work possible.





THANK YOU
FROM ALL OF US

BOARD

Deborah Frieze, *Chair Boston Impact Initiative*
Nia Evans *Boston Ujima Project*
Betty Francisco *Boston Impact Initiative*
Michael Frieze *Gordon Brothers*
Lisa Hayles *Trillium Asset Management*
Mike Leyba *City Life / Vida Urbana*
Lisa Owens (joining in 2022) *Hyams Foundation*
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Zack Young, *Senior Impact Investing Associate*

We invest in opportunity for all people specially those most oppressed or abandoned by our current economic system to lead a dignified and productive life.

