



# 2022 Impact Report



Dear friends,

We've had an extraordinary year at BII. In 2022, we finished deploying BII Fund I – \$6.9 million invested in 50 enterprises – and launched **Fund II**, a \$20 million impact fund to scale up our integrated capital approach, with a focus on building community wealth and collective power.

Our vision is bold and ambitious: a future in which communities of color have the financial, social and political capital to shape their own destiny, sustained by thriving and sustainable local economies. We work toward that future by pioneering capital structures to support the solidarity economy movement.

With Fund II, we doubled down on our commitment to racial justice and focused on filling the market gap for patient, non-extractive equity capital for entrepreneurs of color. Our innovative approach earned us a spot on the 2023 **Impact Assets 50** and the **Transformative 25** list of integrated capital funds.


To ensure that every BII portfolio company has the knowledge, expert advice and connections it needs to succeed, we enhanced our business support programs, forging several new partnerships. At the same time, we continued to advocate and share our learnings to keep building the field of impact investing with a racial and economic justice lens.

We're celebrating our 10th anniversary in 2023, and we're just getting started. We have millions of dollars to raise and invest in our communities. We want to keep strengthening the impact of our investments, advance the field of solidarity finance, and promote systemic change within the impact investing sector and in public policy.

Whether you're a BII investor, partner, supporter, portfolio company or friend – you're a key part of BII's vision for success. Thank you for all your support and ongoing partnership!



Betty Francisco  
Chief Executive Officer



Aliana Piñeiro  
Impact Director

# 2022 IN BRIEF

In 2022, we fully deployed BII Fund I and launched Fund II with a goal to raise \$20 million. We hosted our first in-person convening for the alumni of our inaugural fund manager education program and launched our second cohort with six new fund managers, bringing the total number of managers trained to 40. We also welcomed two new staff members to our team and two new directors to our board.

**42** active portfolio companies

**\$3M** raised for fund II

**\$1.9M** invested in

**11** companies across Funds I & II

**6** emerging fund managers trained

**130** businesses provided with coaching



## BII PORTFOLIO INVESTMENTS THRIVED IN 2022



**Futuro Media Group** won a **Pulitzer Prize** for audio reporting for its podcast *Suave*, a “brutally honest and immersive” profile of a man sentenced to life in prison as a teenager and released after serving more than 30 years.



**CareAcademy** made its **first acquisition**: NextStep, a company that provides digital training and job placement services for certified nursing assistants.



**Quality Interactions** made the **2022 Inc. 5000 list** of fastest-growing companies in America, with 458% growth over 3 years.



**Sunwealth** was recognized by the U.S. Department of Energy as a national model, winning the **Grand Prize of the 2022 Sunny Awards for Equitable Community Solar**.

# WHAT OUR ENTREPRENEURS HAVE TO SAY ABOUT BII



“ From the beginning, I have felt like BII was not just a lender providing capital – we had a real partnership. It has been a great experience that gave us a spark for us to succeed. As we keep growing, I know we will continue to benefit from being a BII portfolio company.

– *Kamaal Jarrett, Hillside Harvest*



“ BII believed in us well before the nation was ready to acknowledge what implicit bias means and how it impacts the medical field – and we couldn't be more thankful for that. You have helped us grow and evolve and set social impact metrics. When we have gone for traditional funding, people have been impressed by what we've committed to as a company.

– *Ashley Oguadimma, Quality Interactions*

## A NEW MODEL FOR COMMUNITY-OWNED REAL ESTATE: East Boston Neighborhood Trust - Blue Line Portfolio

East Boston has the highest concentration of Latinos in the city: 50.4% as of 2020. Thousands of working-class families have found affordable housing here, but with the real estate boom, rents have risen steadily and new luxury apartment and condo complexes are proliferating.

That's why the new East Boston Neighborhood Trust is such a game-changer: It will keep 114 units permanently affordable and controlled by residents and community advocates. It is the first **mixed-income neighborhood trust** (MINT) in Massachusetts.

“This was our first real estate transaction through BII’s Fund II, and we see enormous potential to do more,” says BII CEO Betty Francisco. “Community ownership and control not only protect affordable housing, but also keep the revenue and wealth these projects create within their neighborhoods.”

Mike Leyba, co-executive director of City Life/Vida Urbana and a BII board member at the time, played a key role in conceiving the project, inspired by the work of Kansas City-based Trust Neighborhoods. After he brought the idea to BII, fellow board member Lisa Owens, executive director of the Hyams Foundation, provided guidance to the BII Investment Committee and Trust Neighborhoods to deepen the affordability of the units and ensure inclusive governance.

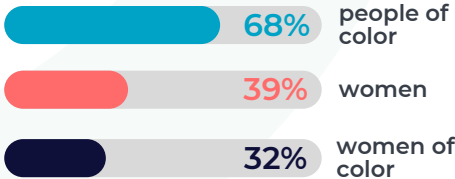
The deal itself was built on an integrated capital stack that combined debt, equity and grants from public and private investors, including subordinated loans from BII and philanthropic institutions, to **mobilize close to \$50 million**. It was also deliberately based on trusting relationships: BII, City Life, and Center for Economic Democracy convened impact investors, city officials and philanthropic foundations in Boston, encouraged them to get involved, and shared BII’s analysis to make it easier for foundations, philanthropies and other investors to participate.



# THE IMPACT OF OUR PORTFOLIO

Our portfolio consisted of 42 active investments as of December 2022, including for-profit businesses, public benefit corporations, nonprofits and cooperatives. Eighty percent of these enterprises completed a 45-question Impact Assessment in May 2023. Here is how they are increasing wealth and power for communities of color:

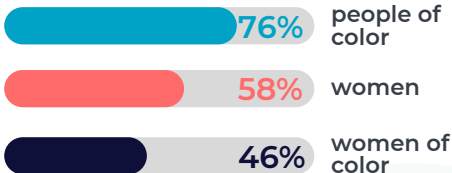
## COMPANY OWNERSHIP



**32%** of for-profit companies in BII portfolio are **worker-owned** or offer ownership opportunities



**1,069 JOBS**

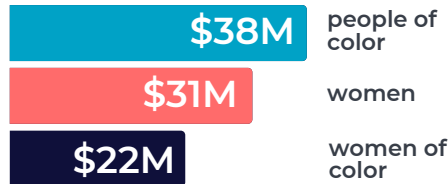


## CAPITAL RAISED

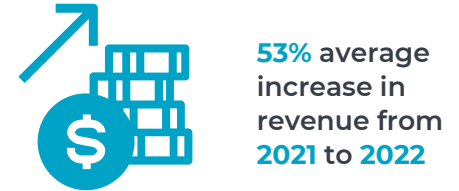


For every **\$1** invested by BII, companies have raised **\$24** of follow-on capital

## TOTAL COMPENSATION PAID: \$55.8M



## REVENUE GROWTH



## LIVING WAGE



## FAIR PAY WITHOUT TIPS:

### How Roundhead Brewing found a better way to pay a living wage

When Craig Panzer and Luis Espinoza were preparing to open Roundhead Brewing Company in Hyde Park, they wanted to pay staff fairly, making up any gap between their wages and tips and a living wage. The BII team urged them to go further and abolish tips.

It was challenging, “but we realized it was the right thing to do,” Panzer says. “Tips change the power dynamic between customers and staff, and there are gender and racial disparities. Across the service industry, white men earn the highest tips. And we know that historically, the practice of tipping as a way to justify lower wages started with jobs held by people of color, like train porters.”

Panzer worked with the BII team to come up with a viable alternative: a 20% administrative fee on all guest checks.

The fee enables Roundhead to pay a starting wage of \$22.56. When the revenue exceeds the difference between that and the Massachusetts tipped wage (currently \$6.75), the surplus is shared by all the employees, like pooled tips. “This

way we can guarantee living wages, while closing the gap between the front and the back of the house, ensuring that each role is truly valued,” Panzer says.

“This quality of life is something every member of the restaurant industry deserves, just like workers in other industries,” Panzer adds. “We believe in taking care of our local community, starting with our team, and we’re proud to be making an impact through our wage policy.”





# INTEGRATED CAPITAL: BEYOND FINANCE

We invest our knowledge, social and political capital in our portfolio companies and their founders to help them thrive. As a Massachusetts Growth Capital Corp (MGCC) Small Business Technical Assistance Provider and through partners, including Lawyers for Civil Rights (LCR) and Associated Industries of Massachusetts (AIM) we provided:

## Business coaching

- Investment readiness coaching
- Business and legal coaching

## External capital

- \$5,250,000 in indirect investments
- \$315,000 in third-party grants

## Direct grants

- \$115,000 in field-building and business grants

## HR expertise

- Comprehensive HR guidance for 13 BII portfolio companies through our new partnership with AIM



Thank you to MGCC for supporting our TA programs.



“As a queer-, minority- and woman-owned business, we face a structural lack of access to resources – not just capital, but power and networks. That is where BII stands out: they have provided expert advice and guidance, connected us to other potential partners or clients, and hired us directly. They also helped us pursue grant opportunities that brought in capital and allowed us to purchase a building for our studio.

BII also connected us with LCR for helpful legal advice on our contracts with clients and independent contractors. And last year, BII provided a free annual membership to AIM and \$5,000 towards HR consulting services. We seized the opportunity to improve our employment practices: reviewing job descriptions, creating a company handbook, evaluating our benefits package and establishing foundational business practices.

– *Dr. Tariana V. Little, EmVision Productions*

# SUPPORTING ENTREPRENEURS THROUGH PARTNERSHIPS

*We established and deepened several business and legal partnerships in 2022 that help us provide our portfolio companies and small business coaching clients with access to vital entrepreneurial resources. We are also supporting coalitions that advocate for equitable small business practices and policies.*



**Associated Industries of Massachusetts** is the top advocate for employers in the state and key partner for HR and contracting expertise for our entrepreneurs.



BII is a founding member of the **Coalition for an Equitable Economy**, a broad group of stakeholders across Massachusetts with a shared commitment to building an equitable small business ecosystem.



We partnered with **Lawyers for Civil Rights** to provide legal advice to small businesses and to launch the **Just Lending Initiative** with support from **Ropes & Gray** and **Riemer Braunstein**.



**Morgan Lewis** supported the formation and offering of BII Fund II, and serves as ongoing legal counsel with **Ropes & Gray**.

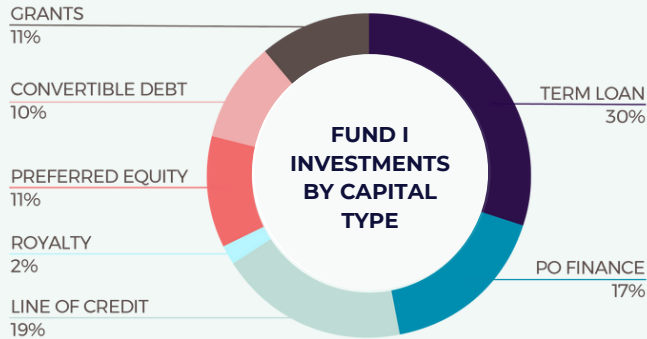


We welcomed **Wilson Sonsini** as a new pro bono legal partner for investment transactions.

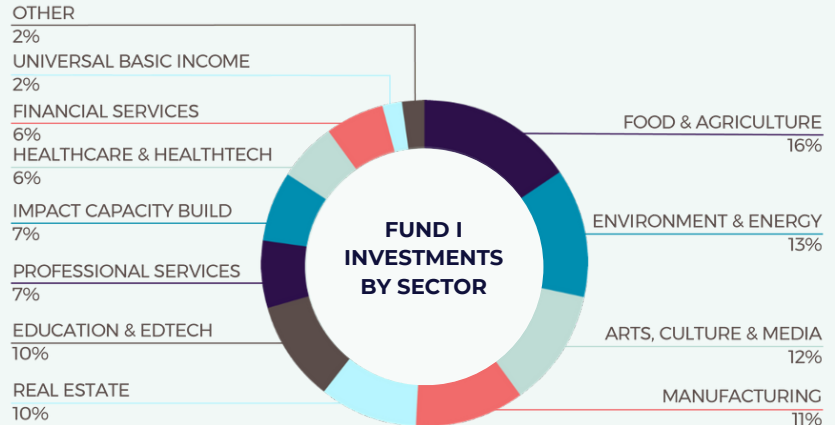


# FUND I FINANCIAL HIGHLIGHTS

*BII Fund I raised \$6.9 million from non-accredited investors, high net worth individuals, family offices, foundations and anchor institutions, and completed deployment in 2022. At the end of 2022, just over \$3.1 million of the funds deployed had been collected, and BII expected to collect an additional \$4.7 million over the remaining term of the fund.*



**\$6.9M**  
raised and  
deployed

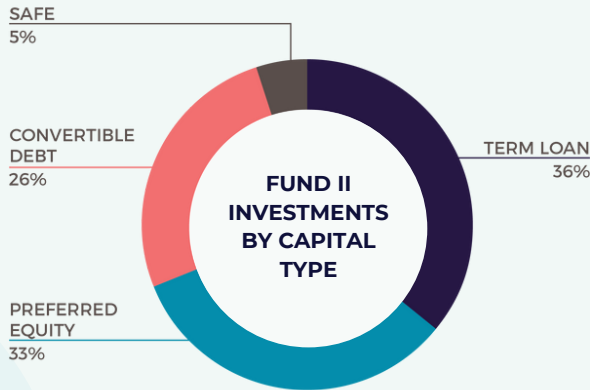


**50+**  
enterprises

**\$3.1M**  
repaid

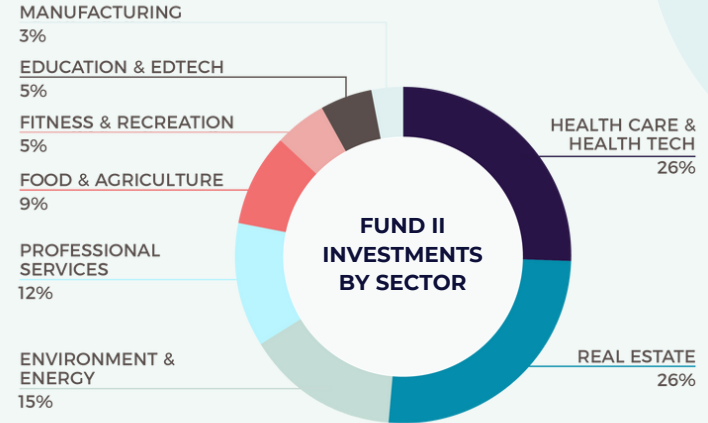
# FUND II FINANCIAL HIGHLIGHTS

Launched in the fall of 2022, BII Fund II had raised \$3.1 million of its \$20 million target and deployed \$1.4 million into six enterprises as of December 31, 2022. Of the amount raised for Fund II, about 41% are philanthropic notes and recoverable grants, 56% are solidarity notes, and 3% are community notes.



**\$3.1M**  
raised

**6**  
enterprises



**\$1.4M**  
deployed

# INVESTORS LIKE YOU MAKE IT ALL POSSIBLE



“ I am an organizer, not a capitalist. So when I found myself with money to invest, three things persuaded me to put it in Fund II: One, I would be investing in my people: people of color and women-led businesses. Two, they would not be businesses that exploit my people or wreak havoc on the environment. Three, as a community investor, I would get the highest rate of return – but not a huge return as I might get from Wall Street, which would feel exploitative.

The world we want is not here yet, and I’m grateful to BII for creating a fund that enables people like me to invest in line with our values and build equity. It’s good for us investors, and it enables great businesses led by people of color to grow and thrive.

– *Elena Letona, Community Note investor, BII Fund I and II*

“ Now that I am aware that my wealth was made from an extractive and racist economic system, I am very committed to deploying it more justly. I use my wealth and my voice to support restorative businesses and communities, and to direct capital to people who have been deprived of access. I am grateful to BII, and to those of you, who have enabled me to shift investments, to shift power and to shift who owns assets. In partnership, we create the world that we each deserve. One that will be more just, more connected and more joyous.”

– *Amy Brakeman, Solidarity Note investor, BII Fund I and II*



# BUILDING THE FIELD OF SOLIDARITY FINANCE

*BII provides education and training for emerging fund managers. In 2022, we trained a second cohort of six emerging fund managers representing four funds, growing our community of practice to 40 impact investment leaders across the U.S. – 93% people of color & 51% women.*

“ The cohort program experience was such a gift for the time and stage of our emerging fund, providing us with clear theory and praxis to deploy integrated capital in our focus area of reproductive justice. The ongoing connection to BII provides us with support, networks and a community that is powerful and necessary for our capacity to build confidently and mindfully, and with the tools to achieve our mission and vision.

– *Tenesha Duncan, Orchid Capital Collective*



**Tenesha Duncan**  
Orchid Capital



**Christina Hollenback**  
Justice Capital



**Mike Leyba**  
City Life/Vida Urbana



**Cass Osei**  
Orchid Capital



**Gabrielle Rene**  
City Life/Vida Urbana



**Charles Wade**  
Black Farmer Fund

# EMERGING FUND MANAGER COHORT PROGRAM HIGHLIGHTS



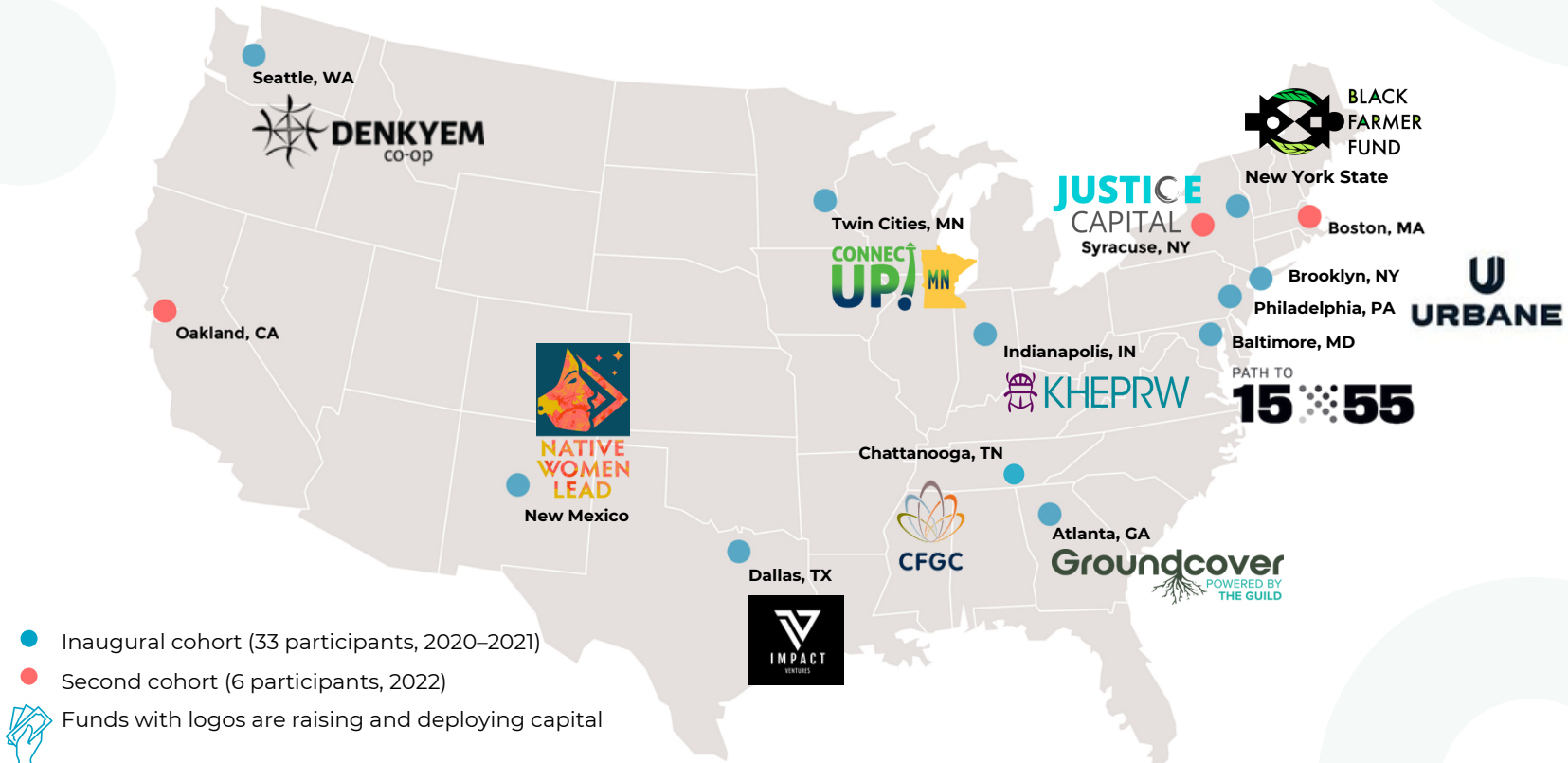
Three cohort alumni funds were named to the Integrated Capital Investing 2022 **Transformative 25** list: **Black Farmer Fund**, **Groundcover**, and **Native Women Lead**.

**IMPACT**  
FINANCE CENTER

BII launched a strategic partnership with the **Impact Finance Center** to raise the profiles of emerging fund managers and to study the feasibility of a shared ownership due diligence database.

# FUNDS LAUNCHED ACROSS THE U.S.

*Of the fifteen funds across the U.S. that BII has trained, ten funds have launched (logos shown below). These funds are supporting small businesses owned by people of color and building sustainable, inclusive and equitable local economies across the country.*





## LEARNING TOGETHER: Integrated Capital Card Games

We launched version 2.0 of our **Integrated Capital Cards** program, with a deck of 123 cards in 7 suits, in English and Spanish. The program teaches community investors, philanthropists, financial professionals, and entrepreneurs the concept of integrated capital and how it can be deployed to advance racial and economic justice. Over the course of the year, we hosted 20 games with over 300 people, including community members, foundation staff, impact investors, students, and business-support professionals.

[Learn more](#)



“ The way that BII introduced the Capital Cards workshop made the content so easy to access. Our entire team entered the interaction with trepidation, myself included, worried that we wouldn't be able to understand the complexity or apply the content to our own work. Nothing could be further from the truth. We ended our session feeling empowered with new language and paradigms to integrate into our own approach to philanthropy.

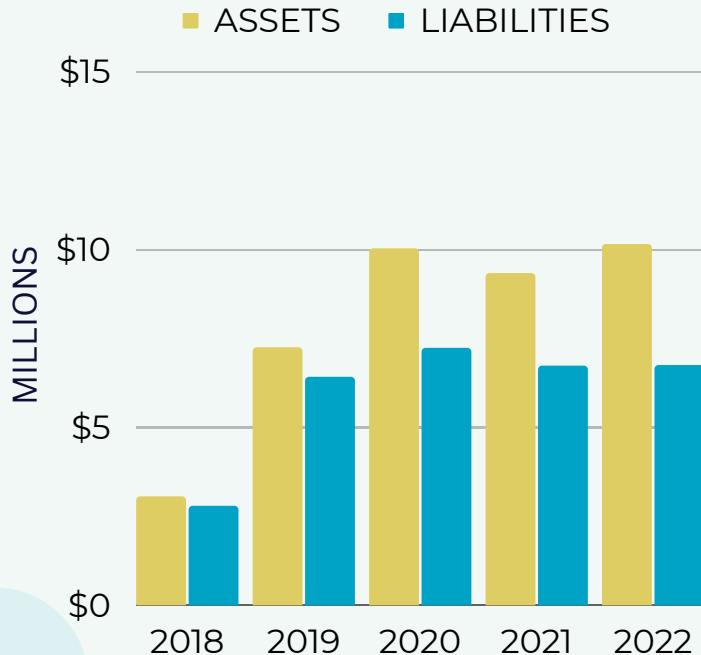
– *Dr. Makeeba McCreary, New Commonwealth Fund*



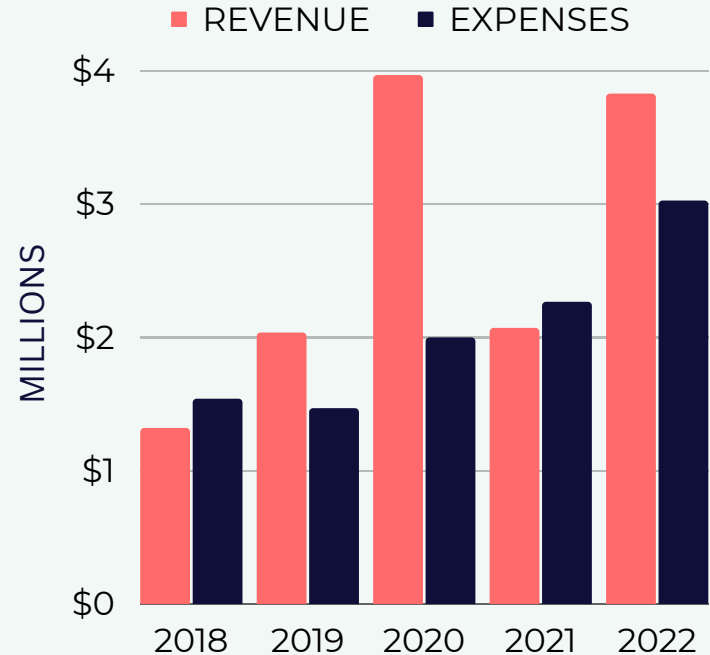
# BII FINANCIAL REPORT

Since BII's inception, we have maintained a healthy financial position and managed our growth responsibly. As of December 31, 2022, we had \$10.1M in assets and \$6.7M in liabilities. In 2022, we received \$3.8M in revenue and support and had \$3M in expenses and losses.

## FINANCIAL POSITION



## ACTIVITIES



# THANK YOU TO OUR FUNDERS, PARTNERS & SUPPORTERS

## Supported organizations



## Legal partners



## Strategic partners



## Major philanthropic partners



# THANK YOU FROM ALL OF US!



## STAFF

Betty Francisco, Chief Executive Officer  
Paulina Apone, Impact Investing Associate (2023)  
Samalid Hogan, Field Building Manager  
Kafilat Lawal, Financial Controller  
Henry Noël Jr., Investment Director  
Aliana Piñeiro, Impact Director  
Zack Neville Young, Integrated Capital Solutions Dir.

## BOARD

Lisa Owens, Interim Chair, *Hyams Foundation*  
Deborah Frieze, Chair (on leave), *Boston Impact Initiative*  
Becky Regan, Treasurer, *Capital Link*  
Rose Felix Cratsley, Secretary, *Ivy Child International*  
Geeta Aiyer, *Boston Common Asset Mgmt. (2023)*  
Nia Evans, *Boston Ujima Project*  
Betty Francisco, *Boston Impact Initiative*  
Michael Frieze, *Gordon Brothers (until 2023)*  
Lisa Hayles, *Trillium Asset Management (until 2022)*  
Juan Leyton, *Nat'l Community Reinvestment Coalition (2023)*  
Guillermo Quinteros, *Partnership for Democracy & Ed. (2023)*

## GRANTS ADVISORY COUNCIL

Angela Brown, *Metropolitan Area Planning Council*  
Eric Esteves, *Lenny Zakim Foundation*  
Deborah Frieze, *Boston Impact Initiative*

## INVESTMENT COMMITTEE

Matt Kahn, Chair, *Consultant*  
Heidi Brooks, *Nat'l Inst for Children's Health Quality (until 2022)*  
Betty Francisco, *Boston Impact Initiative*  
Deborah Frieze, *Boston Impact Initiative*  
Michael Frieze, *Gordon Brothers*  
Malia Lazu, *The Lazu Group*  
Pablo Limon, *Limon Mestre S.C.*  
Mike Leyba, *City Life/Vida Urbana*