

GROWING & SHOWCASING IMPACT INVESTING IN GEORGIA



Impact Investment
Case Study



Georgia Impact
Investor Profile



Capital Seeker
Ecosystem Profile



Field Insights
and Tools

Across the country, a growing number of foundations are reimagining how their assets can serve their missions, not only through grantmaking but by aligning a portion of their endowments with values-driven, impact-focused investments. Nationally, an estimated 5% of foundations have taken steps to integrate impact investing into their strategies. These foundations are using tools like program-related investments (PRIs), mission-related investments (MRIs), and other forms of catalytic capital to extend their influence far beyond the 5% annual distribution requirement.

Compared to the national landscape, impact investing is still gaining traction among Georgia foundations. Despite being home to 1,639 foundations stewarding over \$25.3 billion in assets and contributing \$2.2 billion in grants in 2023 alone, only a handful have formally adopted impact investing practices.

If Georgia's philanthropic sector met the national average, **more than 80 foundations** in our state would be actively deploying their investable capital for mission—channeling millions more in support of the communities and causes they serve.

Many foundation leaders across Georgia have expressed a need for more case studies and examples to kickstart purposeful, board-level conversations. We hope that the following case studies and reflective learning worksheet support Georgia's foundation leaders — whether executive staff, trustees and board members, investment committee members, and more — who are

exploring how to activate more of their portfolios in service of mission. We understand that the decision to pursue impact investing often raises complex questions:

- How do we start? What decisions have to be made before we can invest?
- Where does the capital come from? Will this compromise our long-term financial goals?
- How do we define “impact,” and who decides what we should invest in?
- What do impact investments look like? What are the relative trade-offs or implications when making certain investments?
- How do we build internal alignment and confidence?

This collection of case studies highlights the experiences of four Georgia-based foundation impact investors – **The Sapelo Foundation, the Community Foundation for Greater Atlanta, the William Josef Foundation, and the Bradley-Turner Foundation**. Each offers a candid look at how these institutions have approached impact investing, and their experiences offer valuable insight into the practical steps, governance decisions, and cultural shifts that enable foundations to move from interest to action. While the case studies don't promise one-size-fits-all solutions, they do offer grounded examples of what's possible. Moreover, they demonstrate that all foundations, regardless of type, asset size, or location, can effectively embrace and deploy impact investments.

Impact Investor Profile:

The Sapelo Foundation

Location	Savannah, GA
Foundation Type	Private Foundation [Family]
Founded	1949
Asset Size	\$35 Million
Geographic Footprint	State of Georgia [Rural Focus]
Staff Size	2 FTEs
Began Making Impact Investments	2020
Current Impact Investing Strategies	Local Impact Investing [PRIs]

What motivated this foundation to become an impact investor?

- Acknowledging grant dollars alone cannot accomplish systemic change:** Under prior strategic plans, The Sapelo Foundation leveraged its grantmaking, public policy, and advocacy tools to fulfill its mission of a “just Georgia...[whereby] all Georgians – especially marginalized communities, communities of color, and rural communities – live in healthy environments, have access to the resources they need to thrive, and engage in a just democracy.” In 2019, the Foundation adopted a five-year strategic plan that reasserted its commitment to systemic change and identified that investment assets, in addition to grant dollars, must be marshalled for mission fulfillment.
- Tapping into the interest of individual board champions:** The Sapelo Foundation, Z. Smith Reynolds Foundation, and Mary Reynolds Babcock Foundation are all philanthropic institutions rooted in the wealth generated by the R.J. Reynolds Tobacco Company, founded by R.J. Reynolds in the late 19th century. Family members and descendants of Reynolds established these foundations as vehicles to

reinvest their wealth into the public good, particularly across the American South. While each foundation operates independently with its own mission and geographic focus—Sapelo in Georgia, Z. Smith Reynolds in North Carolina, and Mary Reynolds Babcock across the broader Southern region—they share a common legacy, and in some cases, there is board-level overlap across the institutions. Several family members, including those with connections to MRBF, gained exposure to the field-level growth of philanthropic impact investing, and these champions became important internal advocates for The Sapelo Foundation to embrace the practice.

Where does the capital used to make impact investments come from?

In 2019, the Board of Trustees laid the groundwork for a complete mission-aligned approach. While the Foundation’s journey is just beginning, it’s committed to aligning 100% of its capital – grants (at least 5% of financial capital), endowment (95% of financial capital), human, partnership, advocacy, convening, etc. – with mission. Initially, the Foundation elected to carve out a fixed amount of its endowment (\$600,000) to make PRI loans. As a part of this process, the Foundation created a supplemental PRI Policy to establish PRI investment criteria, standard loan terms (\$100,000 maximum, 3-year term, 1% interest), and loan application and evaluation processes.

What types of investments are they making?

The Sapelo Foundation provides low-interest loans to qualified non-profit organizations to further its charitable mission by investing in organizations and programs that provide sustainable benefits for communities, especially the underserved, that align with its mission to increase environmental protection, social prosperity, and civic power in Georgia.

To date, the Foundation has focused its PRIs on CDFIs and financial intermediaries. There are several strategic benefits to investing in CDFIs. First, it allows The Sapelo Foundation to leverage its

modest investments alongside other sources of public and private capital. Second, CDFIs and capital intermediaries have professional investment management systems, providing the Foundation with peace of mind that repayment, investment monitoring, and required investor reporting will be delivered as expected.

As of 2024, the Foundation's PRI portfolio includes six (\$100K, 1% interest rate, 3-year term) investments to:

- Access to Capital for Entrepreneurs (ACE)
- Albany Community Together
- Capital Good Fund
- Georgia Micro Enterprise Network
- NeighborWorks Columbus
- Working Farms Fund



Without strong and successful fund development, fundraising, and grant writing strategies, nonprofits face the difficult task of attracting investments to achieve true mission-driven work. We, in the nonprofit world, understand that there are no programs without people. If we are not able to cover operating expenses from program income, we must subsidize it with our fund development strategies. ACT! has been in that pivotal point of operating soundly, but never being successful in attracting significant investment to move the organization forward. ACT! has been successful in receiving government grants and developing partnerships with local governments, but the ever-elusive private foundations were not knocking at our door.

The PRI from The Sapelo Foundation has helped change that conversation.

“ **DR. THELMA ADAMS JOHNSON**
President & CEO,
Albany Community Together! | Albany, GA ”

In May 2018, The Sapelo Foundation awarded a collaborative grant to both ACT! and its sister CDFI, Access to Capital for Entrepreneurs (ACE). Then, in October 2019, staff and trustees traveled to Albany for a site visit with ACT! In September 2020, The Sapelo Foundation awarded ACT! with its first Program Related Investment (PRI), in the form of a \$100,000 loan, for a duration of three years. One goal of this first-ever PRI for The Sapelo Foundation

was to support ACT! and its extraordinary work, vision, leadership, expertise, and partnership with entrepreneurs in greater Albany.

Another goal was to complement its grantmaking work in Albany with a PRI. This capital infusion was important both in the sense that it allowed ACT! to grow its entrepreneurial lending activity, and it enhanced ACT!'s capital raising efforts. Ultimately, the Foundation's modest \$100,000 loan helped ACT! secure an additional \$2.1M of private investment and \$250,000 of grant support from the Nathan Cummings Foundation.

How are investment decisions made? What are the process steps & resources involved?

Available PRI funding is determined annually during the Foundation's budgeting process. The Foundation invests in batches based on capital availability. Interested prospective investment partners must submit a Letter of Introduction by July 15. Organizations deemed to be a good fit will be asked to submit a full application with additional financial information and join the Foundation for a virtual site visit. Historically, the Foundation has engaged external impact investing advisors to conduct formal due diligence. The Board of Trustees makes all investment decisions, and Foundation staff communicate investment decisions to prospective investees (generally in November).

What are the important lessons learned?

- ▶ **Managing expectations around OCIO or investment manager/advisor involvement with MRIs and PRIs:**

As a family foundation staffed by a small team, The Sapelo Foundation relies on OCIOs and external investment advisors for endowment management. Early on, the Foundation assumed that the OCIO could, rather easily, support future MRI investing as well as ESG/socially responsible portfolio construction. Despite the OCIO's willingness and interest in supporting the Foundation, it became clear that the traditional investment management model does not necessarily facilitate this. OCIO and investment management firms often lack the

bandwidth to source mission-aligned investment opportunities, especially for place-based foundations. In response to this lesson, the Foundation recognizes that both staff and board members may be asked to take a more proactive role in sourcing prospective MRIs.

► **Right-sizing impact investment guardrails to the source of funds:**

As noted above, the Board initially designated a fixed amount of the endowment (\$600,000) for PRI lending, and the Foundation elected to make \$100,000 PRIs to six capital intermediaries. During its most recent strategic planning process, the Foundation conducted interviews with its PRI recipients to understand impact, successes, and challenges related to these early investments. PRI recipients celebrated the Foundation’s willingness to provide investment capital and grant dollars, and several smaller partners highlighted how PRIs were an important leverage factor for raising additional capital. Other partners, often with larger balance sheets and longer operating tenures, reflected that small investment amounts have a somewhat limited impact on their ability to grow and scale programming and lending. Moving forward, the Foundation is reconsidering not just the amount of the endowment allocated for PRIs but also the size of single transactions. In essence, the Foundation is asking, “Is it better to invest smaller amounts in a greater number of partners, or should we drive more capital into fewer, more targeted partners? There isn’t a right answer to that question, but there’s a lesson to be learned from The Sapelo Foundation’s experience. Philanthropic impact investors have a “clean slate” when designing impact investing programs. The guidelines, criteria, and parameters each foundation establishes for its impact investing efforts will directly influence the shape of an impact investing portfolio. It’s not important to “get it right” on your first attempt, but it is important to hold space for reflection and reiteration over time, especially when considering the relationship between the source/amount of funds and investment-level guidelines.

► **Growing the broader impact investing ecosystem is important for smaller-dollar investors:**

Given its relatively modest endowment, The Sapelo Foundation acknowledges it may never be able to

invest large amounts of capital in single PRI transactions. As such, it’s in the Foundation’s interest to grow a robust pool of philanthropic impact investors across Georgia. In the past, the Foundation has supported field-building efforts and frequently plugs into networks like the Georgia Social Impact Collaborative, Mission Investors Exchange, Georgia Grantmakers Alliance, and more. Moving forward, The Sapelo Foundation may double down on these efforts to help peer foundations embrace impact investing practices. More philanthropic co-investors will enable the Foundation to continue making smaller investments, and more deals can get done across Georgia.

Impact Investor Profile: Community Foundation for Greater Atlanta

Location	Atlanta, GA
Foundation Type	Community Foundation
Founded	1951
Asset Size	\$1.2 Billion
Geographic Footprint	Metro Atlanta Region
Staff Size	59 FTEs
Began Making Impact Investments	2018
Current Impact Investing Strategies	Local Impact Investing; Socially Responsible

What motivated this foundation to become an impact investor?

- **Bringing a different tool to critical community leadership issues:** CFGA recognized that some community challenges, like housing, food security, and growing local businesses, are better suited for investing than grantmaking. In its community leadership capacity, CFGA identified that it could play an outsized role as an aggregator and provider of flexible, catalytic investment resources, particularly in the areas of

affordable housing, community development, and placemaking.

- Growing pools of discretionary capital:** CFGA, like many community foundations, sees local impact investing as a strategic tool to grow its pools of discretionary capital, which are often far less available than donor-advised funds and designated giving areas. By deploying capital into mission-aligned, financial return-generating projects, such as affordable housing, small business lending, or community infrastructure, they not only address pressing local needs but also demonstrate the value of flexible, discretionary funds. Successful investments can generate both social returns and modest financial gains, which in turn help to replenish or grow discretionary funds over time. This creates a virtuous cycle: as impact investments prove their worth, foundations can attract new contributions earmarked for similar efforts, strengthening their ability to lead and respond proactively to emerging community priorities.
- Capitalizing on donor interest:** Across the country, including in Atlanta, donors are increasingly looking to community foundations to have greater impact and to be innovative. A 2020 survey conducted by the University of New Hampshire revealed that, on average, DAFs would allocate 18.5% of their investable assets toward mission-fulfilling investing. CFGA recognized a business & mission opportunity to seize.
- Modeling innovation and leadership among the Southeast regional landscape:** Relative to other regions across the country, the Southeast has lagged slightly behind in terms of adopting impact investing practices, particularly by community foundations. CFGA recognized there was an opportunity to model a different type of community foundation leadership, and impact investing innovation might distinguish the foundation as a regional or even national philanthropic leader in this space.

Where does the capital used to make impact investments come from?

CFGA's earliest impact investing effort, the GoATL Fund, launched in 2018. GoATL was initially structured as a pooled investment offering for internal CFGA fundholders. To capitalize this pool, the CFGA board allocated \$10M of investable assets from the discretionary fund, and fundholders were invited to invest alongside the Foundation in this pool. GoATL Fund raised and deployed a total of \$14.325M - \$10M of CFGA discretionary capital and \$4.325M from leading DAFs. **The GoATL Fund's first five years of impact produced:**



902

Housing Units Built or Preserved



1,566

Education Seats Created or Preserved



7,418

Jobs Created or Preserved



265

Acres of Working Farmland Preserved

As a proof of concept, the first iteration of GoATL demonstrated that donors would allocate portions of DAF investable assets for local impact investing. Additionally, it proved that there was demand from CDFIs and financial intermediaries for patients and low-cost debt, and CFGA staff had the requisite skills and relationships to develop an investment pipeline as well as assess, execute, and monitor impact investments. Given the success of the GoATL Fund, in 2022, the Foundation went "all-in" on impact investing. Today, CFGA operates multiple funds within the GoATL Evolution strategy – the GoATL Community Capacity Fund and the GoATL Affordable Housing Fund. It's important to understand that each fund has a different source of capital.

► Today, the **GoATL Community Capacity Fund** operates as a wholly owned LLC subsidiary of CFGA. As such, CFGA is permitted to raise capital

both from internal investors (fundholders) and external investors.

Minimum	\$25K (internal); \$50K (external)
Term	5 years
Anticipated Return ¹	1.5% (net of fees)
Fees	AUM fee structure: 70 bp (internal investors); 1% (external investors)

► The **GoATL Affordable Housing Fund** is structured as a Delaware limited partnership (LP). As such, AHF can accept investments from both internal fundholders and external investors. For accredited external investors, investment returns/distributions are recycled to the capital source, making AHF an appealing investment opportunity for investors seeking ways to direct investments to impact and return-generating vehicles but who do not wish to establish funds at CFGA.

Minimum ²	\$1M (institution); \$250K (individual)
Capital Calls	Variable commitment at closing; Period calls throughout the Term.
Term ³	10 – 15 Years
Anticipated Return	2% - 3% IRR (net of fees)
Fees	The GP receives an AUM-based fee of 1.5%

What types of investments are they making?

Impact investment profiles vary based on the investment source.

► **GoATL Community Capacity Fund** is a diversified fund-of-funds, meaning desired investment partners are CDFIs and nonprofit financial intermediaries. CFGA issues patient, impact-first, below-market-rate loans to investment partners. In turn, investment partners relend CFGA's

capital to support affordable housing, entrepreneurship, childcare and educational facilities, food systems businesses and farmers, and more.

Amounts	\$250K – \$2M
Term	5 – 7 Years
Rates	3% – 3.5%
Investee Type	Nonprofit

► **GoATL Affordable Housing Fund's** primary goal is to support the creation and/or preservation of affordable housing in the Atlanta community. For many housing projects to deliver true long-term affordability, the market needs both equity (via site control, tax incentives, cash equity, or credit enhancements) as well as flexible, low-cost impact capital. Affordable housing advocates identified that Atlanta has an excess of senior, market-rate loan capital for housing, and yet, the local market lacks sources of equity and mezzanine or subordinated debt. AHF's investment thesis was developed to fill this gap. CFGA sources, underwrites, deploys, and manages investments to fill this gap. Investments may be structured to incentivize senior lenders, equity investors, impact investors, foundations, and the public sector to also invest.

Amounts ⁴	\$1M – \$5M
Term	Up to 15 Years (possible (2) one-year extensions)
Rates ⁵	3% – 6.5%
Investee Type	Nonprofit & For-Profit
Geographies	Clayton, Cobb, DeKalb, Fulton, & Gwinnett Counties
Investment Types	Preferred & traditional equity, joint ventures, mezzanine loans, 1 st & 2 nd mortgage loans, etc.

In November 2024, GoATL AHF invested in Cityscape Housing, a black-owned, for-profit developer. Cityscape transforms neighborhoods

¹ Investor returns accrue during the Term & are payable at maturity. To date, interim returns (net fees) paid quarterly.

² The GP has the discretion to accept lower minimums.

³ Investor class determines Term (Class A: 15 yrs, Class B: 10 yrs, Class C: First-loss, deferring returns until fund end.)

⁴ AHF may loan > \$10M with LP approval.

⁵ The GP determines appropriate interest rates deal-by-deal. Lower rates are reserved for nonprofit developers.

throughout Atlanta, providing much-needed affordable homeownership. One such project, the Villages at Brown's Mill, saw Cityscape partner with Atlanta Habitat for Humanity to bring affordable homeownership to SW Atlanta.



Image: Villages at Brown's Mill Development; Credit: Atlanta Habitat for Humanity

How are investment decisions made? What are the process steps & resources involved?

The ambitious GoATL Evolution strategy is core to the CFGA's mission and way of working. As such, the Foundation has invested resources into staff and leadership capacity to oversee the capital raising and investing activities. Impact investing staff integrate these functions across finance & accounting, philanthropic services, grantmaking, and community programming teams. CFGA established a standard six-step pipeline process to move investment opportunities through the Foundation.

1. Prospective investment partners complete an introductory conversation with relevant CFGA team members.
2. If the prospective partner and CFGA see a "there there," the partner submits an investment application.
3. Relevant CFGA staff review application material. CFGA may request additional information or follow-up discussions. Assuming alignment, CFGA issues a term sheet.
4. The prospective investment partner signs the term sheet, and if necessary, remits an application fee payment so that CFGA may initiate formal underwriting (which may be

conducted by internal CFGA staff or a contracted external advisor).

5. The final underwriting package is submitted to the appropriate Impact Investment Committee for decisioning.
6. If approved, CFGA staff initiate closing. CFGA uses external legal advisors to draft loan documents. Prior to execution, CFGA's in-house legal counsel reviews agreements, and final documents are presented to the investment partner for closing.

What are the important lessons learned?

► Prepare your cross-functional team for a different type/pace of work:

For larger foundations, especially those that desire to grow sizable impact investing programs with greater portfolio volume, impact investing will likely require cross-functional team support. Using CFGA as an example, the GoATL Fund strategy is led by a three-person team, but it involves finance and accounting, philanthropic services, and legal team members. It's critical to train supporting departments and staff in program mechanics and expected workflows. Often, impact investing deal flow is slow in the build-up and urgency-driven when capital needs to close. When cross-functional teams do not have shared expectations and strong working norms, the cadence of impact investing activities can create tension within the foundation and for investment partners.

► Be open to iterating based on what the market needs and emerging opportunities:

To avoid stalling in design and strategy-setting, it's often important for foundations to pick a starting point and iterate over time. For CFGA, the earliest iteration of the GoATL Fund allowed the Foundation to build its impact investing muscles and internal comfort. During the early months of the COVID-19 pandemic, CFGA staff recognized that nonprofits were not able to effectively access new federal relief capital because of the reimbursable nature of such awards. Nonprofits were not able to self-fund expenses necessary to fulfill federal program requirements in order to draw on the awarded funding. In response, the CFGA impact investing

team quickly structured and secured capital for a guarantee pool that incentivized CDFIs to provide bridge loans to local nonprofits. This example demonstrates the value of foundation impact investors operating as adaptive, solutions-oriented partners within local capital markets. Efficient, authentic integration of impact demands ongoing learning loops, with data driving refinements in product design and deployment strategies over time.

► **Use agreement templates when possible and identify a reliable closing attorney and tax accountant:**

Early on, CFGA developed some standard loan agreements. Standardized legal templates for loans, notes, guarantees, and equity term sheets can save staff time, reduce errors, reduce closing expenses, and level the playing field for smaller investment partners. However, it is unrealistic to expect that all impact investments will conform to or suit template agreements. Many, if not most, philanthropic impact investments have unique structures, covenants, or features. Often, the bespoke nature of impact investments is due to the investor's willingness to structure investments that meet the needs of both parties and allow for impact, a practice that differentiates impact investors from commercial or traditional investors.

Realistically, foundations should expect to customize many investment agreements. In CFGA's experience, it was important for staff to have go-to closing attorneys and tax advisors. These external resources buttress staff capacity, ensure consistency in tax structuring and compliance, support future audit reporting, and cover all legal bases.

► **Codify everything, especially as you are modifying or standing up new processes:**

As GoATL expanded in 2022 to include direct affordable-housing and economic-inclusion funds, staff documented each step—from deal sourcing criteria to impact metrics reviews—to avoid knowledge silos and ensure smooth scaling. While some may perceive thorough documentation as bureaucratic, for CFGA, the practice drives quality and accountability. Investment evaluation and management work best when processes, from evaluation frameworks to due diligence checklists

to post-investment reporting templates, are written down, standardized, and (when necessary) iterated over time. Thorough documentation is increasingly important in the current environment. Executive orders and shifting federal policy targeted towards DEI, ESG, socially responsible investing, and more are meant to dissuade and discourage philanthropic leadership, particularly around investment activities. Many legal scholars and attorneys are confident that case law will continue to support impact investing by foundations, but in the meantime, foundations should make every possible effort to use standard systems, document everything, and maintain strong decision-making records.

Impact Investor Profile: **Bradley-Turner Foundation**

Location	Columbus, GA
Foundation Type	Private Foundation [Family]
Founded	1943
Asset Size	\$105 Million
Geographic Footprint	Chattahoochee Valley
Staff Size	1 FTE
Began Making Impact Investments	2016
Current Impact Investing Strategies	Local Impact Investing [PRIs]

What motivated this organization to become an impact investor?

Moving the needle on Columbus's affordable housing crisis: The Bradley-Turner Foundation and other key community & economic development partners grew increasingly aware of Columbus's affordable housing crisis. At the time, research developed by the Federal Home Loan Bank of Atlanta (FHLBA) revealed that the greater Columbus area was facing a **shortage of 16,246 affordable**

housing units, and the low inventory of affordable housing units for working families drives up the sales price and mortgage costs. Moreover, the housing market was creating conditions whereby renters and homeowners alike were spending disproportionate amounts of household income on housing, often known as “housing cost-burdened households.”

At the time, the FHLBA estimated that “**housing cost burdens**” in Columbus were felt by:

80% Extremely Low- Income Households	74% Very Low- Income Households	71% Low- Income Households
--	---	--

The Foundation recognized that grants alone were not sufficient to move the needle on a community challenge of this scale.

Where does the capital used to make impact investments come from?

The Bradley-Turner Foundation, like many foundations, chose to “dip their toe in the water” with a pilot investment to accelerate its entry into impact investing. The Foundation leveraged its first PRI as an opportunity to engage board members in a hands-on experience whereby they exercised new muscles. Not only did this approach result in the Foundation making its first PRI loan, but it also unlocked the board’s willingness to carve out a modest amount of the endowment (up to 5%) for future local impact investing efforts. Setting aside a modest amount of capital alleviated concerns of more hesitant board members while also giving the Foundation permission to continue to make PRIs in a learn-by-doing manner.

What types of investments are they making?

The Bradley-Turner Foundation makes Program-Related Investment loans to housing-focused community development efforts in Columbus and the surrounding Chattahoochee Valley region. To

date, the Foundation has made two PRI loans to nonprofit, community development organizations.

In 2016, the Foundation **executed its first PRI to the Historic Columbus Foundation (HCF)**. The Foundation invested \$500,000 in support of HCF’s newly launched loan fund, which was designed to make loans to LMI homeowners in Columbus. The loan proceeds could be used by homeowners to finance façade updates, minor exterior improvements, and larger rehabilitation projects on older homes throughout the Columbus area.



Image: Home Renovation Before & After; Credit: Historic Columbus Foundation



Image: Elliot's Walk Neighborhood; Credit: NeighborWorks Columbus

In 2021, the Foundation **issued its second PRI to NeighborWorks Columbus**. The subject \$2M PRI was deployed to address Columbus’s insufficient affordable housing stock. The Foundation’s PRI, alongside capital from Synovus Bank and the State of Georgia’s Department of Community Affairs, financed the Elliot’s Walk development. This project included 24 single-family homes, which were sold at price points ranging from \$150,000 to \$180,000.

What are the important lessons learned?

Balance nimble learning-by-doing and thoughtful institutionalization:

The Foundation recognizes the important role its pilot impact investment played in accelerating the board's willingness to consider future impact investing activities. Early on, the Foundation's President made the strategic decision to recommend that the board create a "band" of portfolio assets that could be used for further impact investments. The President recognized that the Foundation's existing decision-making culture was more responsive to applied vs. abstract learning.

Pilot investing efforts can create a "lower stakes" learning environment. The trade-off is that without a formal strategy, the pilot may not align neatly with broader organizational goals, and/or the absence of a dedicated source of funds, foundations may not have a capital pool to tap for future investments. In these instances, a foundation runs the risk of "pilot drift," where subsequent investments become ad hoc, inconsistent in size or scope, and difficult to integrate into a cohesive program. The Bradley-Turner Foundation's story demonstrates that a balanced learn-by-doing and institutionalization approach is possible, but it requires clear intention and expectation-setting with board members.

Impact Investor Profile: William Josef Foundation

Location	Atlanta, GA
Foundation Type	Private Foundation
Founded	2007
Asset Size	\$48 Million
Geographic Footprint	State of Georgia [Metro Atlanta Focus]
Staff Size	2 FTEs
Began Making Impact Investments	2020/2021
Current Impact Investing Strategies	Local Impact Investing [PRIs & MRIs]

What motivated this foundation to become an impact investor?

Stewarding financial assets while maximizing the present value of dollars used for mission:

As a relatively small foundation, the William Josef Foundation leadership sought ways to marshal more dollars for impact without "materially degrading its long-term financial capacity." The Foundation explored increasing its spending policy to pay out more than the minimum distribution requirement (5%). Were the Foundation to pursue this option, leadership determined that its traditional 65/35 equity/fixed income investment allocation would be insufficient to generate the financial returns necessary to cover a 7-10% annual grant budget. To address this, the Foundation discussed increasing its equity allocation up to the 80-85% range, but the Foundation felt that the risk of periodic drawdowns in equity markets might introduce more volatility that could negatively impact its grantmaking ability on a year-to-year basis. The Foundation determined that impact investing was the answer, as it presented an opportunity to increase the present value of its impact by creating a supplemental pool of capital available to mission-fulfilling partners, maintain existing portfolio allocations intact, and minimize the likelihood of long-term endowment erosion.

Where does the capital used to make impact investments come from?

The Foundation elected to reallocate a portion of the endowment towards future PRI investments. As a part of this process, the Foundation created a supplemental PRI Policy that established specific PRI investment criteria, target investment terms, and decision-making processes.

What types of investments are they making?

Over time, the Foundation's PRI portfolio has grown to include two types of investments.

- Like many philanthropic impact investors, the William Josef Foundation directed its earliest impact investments to CDFIs. The Foundation purchased low-interest impact notes from key

CDFIs located throughout the Metro Atlanta region. Notes were a low-hanging fruit means of providing patient, concessionary capital to CDFIs working in housing, access to capital, and income and wealth building.

- As the Foundation grew more comfortable with impact investing, its investment appetite expanded. The Foundation recognized that many of its key nonprofit partners were consistently experiencing delayed government payments, which were creating cash flow challenges. At this time, the Foundation began making direct bridge loans to nonprofits. These loans infused nonprofits with the operating capital needed to deliver key community programs and services without drawing on reserves or needing to secure high-interest commercial lines of credit.

To this point, the Foundation has principally pursued PRIs. On occasion, the Foundation has made select Mission-Related Investments when presented with promising market-rate private partnerships. For example, the Foundation is an equity investor in the Center Creek Housing Fund II, a market-rate impact fund raised by Center Creek Capital Group. The Fund buys, renovates, and holds affordable single-family rentals for cash flow and appreciation. The Fund prioritizes investments in three markets: Atlanta, Birmingham, and Tampa.



Image: The Pathway to Homeownership Program (created by Center Creek, D&E Group, & Truist) helped Douglasville residents purchase affordable homes. Credit: Center Creek

How are investment decisions made? What are the process steps & resources involved?

The William Josef Foundation, perhaps more so than many lean family foundations, has tremendous in-house financial and investment expertise. Its founder, Scott Satterwhite, spent his career in banking, investment management, and venture capital. In his current capacity as the William Josef Foundation's President, Satterwhite draws on his decades-long professional expertise in service of the Foundation's impact investing efforts. The Foundation's impact investing dealmaking process involves the following steps.

- Foundation leadership identifies potential investment opportunities. Potential investments are assessed by the Foundation's President based on the following four factors:
 1. Compliance with the Impact Policy (relative to investment type, size, and effect on the impact portfolio diversification),
 2. Tightness of fit between the recipient of the investment and the Foundation's mission and programmatic goals,
 3. Appropriate tool (i.e., PRI or MRI) and,
 4. Dimensions of investment risk.
- If, after this initial evaluation, the President wants to proceed with an investment, further due diligence commences. At this stage, the Foundation requests key documents (e.g., financial statements, pitch books, private placement memoranda or offering documents, etc.) The Foundation also produces an investment questionnaire that the prospective investee completes.
- Once sufficient documentation and Q&A responses have been collected, the President produces an investment recommendation memo that covers the aforementioned four criteria/elements.
- The recommendation memo is presented to the Board for consideration and decisioning.
- Following investment approval, the President and Program Manager support investment closing and are responsible for tracking the investment and reporting to the Board quarterly.

What are the important lessons learned?

► **Document program goals, guardrails, and processes on the front-end:**

The William Josef Foundation recognizes the role its Impact Investing Policy Statement has played in keeping its impact investing efforts on track. At the outset of its impact investing journey, the Foundation elected to craft and ratify a well-constructed Impact Investing Policy Statement that integrates into its overall Investment Policy Statement. This impact investing-specific policy establishes clear guidelines and guardrails that empower staff to source, evaluate, underwrite, and monitor impact investments over time.

► **Revise the Impact Investing Policy Statement when necessary or appropriate:**

With the benefit of five years' experience and transactions under its belt, the Foundation is currently reevaluating and amending its Impact Investing Policy Statement to guide future impact investing efforts. The Foundation's experience can be a lesson to future philanthropic impact investors. Your impact investing journey can be thorough and imperfect. Boards should be diligent and considerate when establishing impact investing programs, and yet, acting prudently does not require perfection at the outset. There will be opportunities to revise and amend guiding policies as the foundation gains experience.

Reflections Worksheet

? Did these case studies challenge or expand your understanding of impact investing by foundations?

? What, if anything, resonates with you about the approach other foundations have taken to use investment assets for mission and community impact?

? What would motivate you, or your foundation, to consider impact investing in the future?

? What concerns you about impact investing? What would help you get comfortable?

? As your foundation begins (or continues) your impact investing educational journey, what experiences, resources, or topics are you most interested in tapping into?

Resources for Ongoing Education

Want to learn more? Here's a reading list to guide your exploration:

- Boston College Center for Corporate Citizenship. "Handbook on Responsible Investment Across Asset Classes." 2013. [Resource Link.](#)
- Crothers, Chris and Magder, Dan. "Impact Investing and Intentionality." Mission Investors Exchange. May 2020. [Resource Link.](#)
- Georgia Social Impact Collaborative. "Local Impact Investing, the Next Frontier for Community Foundation Leadership." January 2025. [Resource Link.](#)
- Killough, Elizabeth. "Getting Past Inertia: Ten Simple, Valiant Steps to Align Your Foundation's Endowment with Your Mission – Or Not." Huffington Post. June 28, 2017. [Resource Link.](#)
- Michael & Susan Dell Foundation. "Mission Investing: A Framework for Family Foundations." 2020. [Resource Link.](#)
- Nathan Cummings Foundation. "Values Proposition: How and Why We Transformed Our Investment Model to Align Our Capital with Our Mission." 2019. [Resource Link.](#)
- UnTours Foundation. Endowment Starter Kit for Foundations – On Mission Aligned Investing. February 2025. [Resource Link.](#)

As Georgia's foundation leaders ask critical questions about reconciling dual objectives, shifting governance culture, and developing impact investing systems, we hope that GSIC and our network of foundations and thought leaders will be resources to leverage along the way!

More Tools & Resources

Check out [GSIC's Impact Investing Toolkit](#) for sample impact investing Investment Policy Statements, Program Guidelines, and other tools developed by foundation impact investors!

