

## **Community Investing Options: General Recommendations**

There are many ways to incorporate community investments into a client's portfolio. The recommendations below provide suggestions into the types of options to explore with your clients, based on how much the client can put into as to how you, or an institution to which you belong, might start investing in communities. Once you know more about the options available to you, please visit the Community Investing Center's Database to explore specific options at [www.communityinvestingcenter.org](http://www.communityinvestingcenter.org).

### **FOR ALL INVESTORS:**

Explore checking and savings accounts at community development banks and credit unions. You can get all the benefits of these insured accounts, while knowing your money is building healthy communities.

### **INVESTMENTS OF \$1,000 TO \$5,000:**

If you are looking to invest \$1,000 or so, community development banks and credit unions offer competitive rates for money market accounts and CDs. Domestic and international loan funds are nonprofits that use investment dollars to improve the lives in the communities they serve. Pooled community investment products —available from Calvert Foundation ([www.calvertfoundation.org](http://www.calvertfoundation.org)) and others— are also available at these levels and allow you to target the region of your investment.

### **INVESTMENTS OF \$5,000 TO \$50,000:**

At these levels, you might want to go beyond banking. Look into high-impact options like domestic or international loan funds and microfinance institutions, and consider spreading your resources across more than one option. For example, you might place \$5,000 with a domestic or international loan fund and \$10,000 with a community development bank in CDs, money markets, or savings accounts. By investing through a pooled community investment product, you can diversify the organizations and communities you reach with a single investment. If you're seeking to invest in a retirement account, check out community development banks and credit unions that offer retirement accounts.

### **INVESTMENTS OF \$50,000 TO \$250,000:**

In this range, investors can have significant community impact. You can choose to put money into one or a few organizations, taking advantage of the federal insurance at community development banks and credit unions for up to \$100,000 minimum. You may also want to investigate high-impact options that go beyond banking like loan funds, microfinance institutions, and venture capital funds. Pooled community investment products continue to be an attractive option, given their built-in diversification and security enhancements. You could invest in anywhere from two to ten organizations. For example, one local foundation with \$200,000 to invest placed \$25,000 in three community development banks, \$50,000 in their local community investment institution, and the remainder in a pooled product.

**INVESTMENTS OF \$250,000 TO \$1,000,000+:**

At these higher levels, investors usually combine some federally insured certificates of deposit with placements into two or more community investment institutions with high-impact vehicles. At this level, more pooled community investment products, such as those offered by the National Community Capital Association ([www.communitycapital.org](http://www.communitycapital.org)), offer an attractive alternative as they incorporate diversification across organizations, portfolio supervision, and professional asset management. Targeting investments by organization or region is generally available through pooled funds as well. For those seeking fully federally insured options, National Federation of Community Development Credit Unions and Calvert Foundation are prepared to manage a portfolio of CDs invested in 10 to 20 different community development banks and credit unions. Investors at this level may be eligible for the New Markets Tax Credit.

Visit the Community Investing Center ([www.communityinvestingcenter.org](http://www.communityinvestingcenter.org)) for more information and to explore your options.