

GROUPS: PROPOSED FEDERAL “COMMUNITY INVESTING” CUTS INCREASE NEED FOR INSTITUTIONAL, INDIVIDUAL INVESTORS TO FOCUS ON VULNERABLE CITIES, TOWNS

Growing Pressure Seen on CRA, Public Housing, Community Development Block Grants, CDFI Fund; Web Site – <http://www.communityinvest.org> – Aims to Help Investors Understand How to Get Involved

WASHINGTON, D.C.//May 17, 2005//As the federal government looks for ways to scale back its role in supporting America’s cities and towns, it will take more and more institutional and individual investors getting involved in “community investing” to continue generating some of the same small business jobs, first-time homeowner opportunities and needed social services. To acquaint the large number of needed new investors with the “ins” and “outs” of community investing – which is the fastest-rising sector of socially responsible investing (SRI) -- the Community Investing Program of the Social Investment Forum Foundation and Co-op America today unveiled a major new Web site, the Community Investing Center, at <http://www.communityinvest.org>.

The Community Investing Center covers such key topics as due diligence, how to incorporate community investing into different types of portfolios, risk/return issues, and other fundamental considerations for institutional investors. Offering the most extensive online database of community investing options, the Center effort reflects a recognition that there are a growing number of efforts afoot to reduce federal funds available for American cities and towns both directly (e.g., community development block grants, Section 8 public housing vouchers) and indirectly (e.g., the Community Reinvestment Act and the Community Development Financial Institution Fund). While private investment can’t entirely replace government funding, there are a growing number of ways for private investors to make urgently needed community investments

Jean Pogge, Community Investing Program chair and senior vice president of Mission-Based Deposits for ShoreBank, said: **"In this time of shrinking federal dollars, it is critical that institutional and individual investors use their investment dollars to support communities across the country that need community investing to rebuild and thrive. Our new Web site contains the information that investors need to add community investments to their portfolio. Communityinvest.org can help investors make the choice between the many high quality options in this expanding field. Community investing is not a grant or subsidy, but a sound investment option and an effective model for community development. It is an investment strategy that can help remedy the economic disparity in domestic and international communities by providing lower-income people access to capital, credit and training."**

Mark Pinsky, president and CEO, National Community Capital Center, said: **"Private investment has long been and will remain the cornerstone of successful community development. Government plays an important role that is now in jeopardy. At the same time, we are seeing a boom in attractive investment opportunities in emerging domestic markets, which are going to drive U.S. economic growth for the next several decades. The Community Investing Program’s new website is an outstanding resource for institutional and individual investors seeking solid yields and high social impact."**

“Community investing” refers to financing and other assistance provided by community development banks, credit unions, loan funds, venture capital firms, and other institutions that support individuals, nonprofits and small businesses that often are overlooked by “traditional” financial institutions. A 2003 study from the Social Investment Forum shows that community investing is the fastest-growing category of socially responsible investing in the United States: Total assets held by community investment institutions nearly doubled from \$7.6 billion to \$14 billion between 2001 and 2003.

COMMUNITY INVESTING AT WORK

For example, the Albany Community Land Trust (<http://www.albanyclt.org>) works to provide affordable access to housing for low income and disadvantaged people in the Albany, New York area. Founded in 1987, the non-profit Land Trust has developed 45 properties with 59 units and sold 23 to first time homebuyers. The Capital District Community Loan Fund (<http://www.cdclf.org>), the leading Community Investment Institution in the Albany area, has provided almost \$1 million in funding through 32 loans, to the Land Trust to help it provide and preserve affordable housing.

Roger Markovics, board member of the Albany Community Land Trust, said: **“The Land Trust is unique in our area with a lease purchase program under which renters can live in a building they intend to buy while they work on establishing credit and a savings program in order to qualify for a mortgage. The buildings are only sold to homebuyers. The Land Trust then holds the land permanently for the community and for future residents that would be priced out of the real estate market. This is to regulate the resale of heavily subsidized properties so that successive generations can afford quality housing and the local community retains control of land and housing for the long term.”**

HOW TO BECOME A COMMUNITY INVESTOR

Any institution or individual can become a community investor. The Social Investment Forum Foundation and Co-op America encourage all investors to direct at least 1 percent of their assets to community investing. One of the most popular ways to invest in communities is by opening an account at a community development bank or credit union. Most individual investors open money market accounts or certificates of deposits. Checking and savings accounts, CDs and IRAs also may be provided through community development banks or credit unions, which will use the deposit to strengthen the local community. If there is not a community development bank or credit union in their local community, many investors open up accounts in community investment institutions in other locales

Another approach is to invest in community development loan funds, pooled funds, and venture capital funds. These investments support local or international projects that are serving lower-income communities. For individuals and institutions wanting to invest in mutual funds, some mutual funds have a community investing component as well.

For the most comprehensive list of community investing options, visit the Community Investing Center on the Web at <http://www.communityinvest.org>.

ABOUT THE COMMUNITY INVESTING PROGRAM

The Community Investing Program is a joint partnership of the Social Investment Forum Foundation and Co-op America. The Social Investment Forum Foundation is a national nonprofit organization providing research and educational programs on socially responsible investing.

Co-op America is a national nonprofit organization founded in 1982 that provides the economic strategies, organizing power and practical tools for businesses and individuals to address today's social and environmental problems. The program's Web site is <http://www.communityinvest.org>.

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FOR MORE INFORMATION: To hear a Web-based replay of the national news event held today, go to <http://www.communityinvest.org> after 6 p.m. ET on May 17, 2005.

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BACKGROUND: The Community Investing Center is an investor-focused Web site at <http://www.communityinvest.org> that acts as a “one-stop shop” on community investing for investment professionals – showing them how they can become involved and providing them with a full range of community investing options in which they can place assets. The Social Investment Forum Foundation and Co-op America launched the site to spur investment in the community investing field, the fastest growing segment of socially responsible investing in the US.

The Most Extensive Database of Community Investing Options: Central to the Community Investing Center is the creation of the most comprehensive database of community investment institutions and products. The database is provided by well-known community investing pioneers Calvert Foundation using data that they and the CDFI Data Project have collected. This database is fully searchable, and provides enough program, social impact, and financial performance information for investors to easily find the best products and providers for them. It also provides investors with options for purchasing due diligence when its available.

Tools to Help Investors Explore Community Investing: Experts in the field – including National Community Capital Association, the Center for Community Economic Development, and Calvert Foundation – have created a series of tools and educational pieces that provide investors with an overview of the field, answer frequently asked questions, as well as primers for separate account managers, mutual funds, and institutional investors. These tools will assist potential community investors in better understanding how they can overcome common barriers to directing assets to the field.

The following resources are available on the Community Investing Center:

- An overview of the community investing field
- Descriptions and comparisons of existing community investing products
- Social impact information and the Community Investment Impact Calculator
- Financial performance and risk information
- The Community Investment Database – the most comprehensive searchable database of over 400 Community Investment Institutions with detailed social impact and financial information
- Information about the 1% or More Campaign to encourage community investing and investors that have met the goal
- A due diligence primer – step-by step guidance in conducting due diligence
- A primer for mutual funds – an overview of how mutual funds can get involved
- A primer for separate account managers – step-by-step guidance for placing assets in community investing options.
- A primer for institutional investors – step-by-step guidance (coming soon).
- A primer for foundations that are interested in community investing (coming soon).
- Media events and reporter resources
- Links to studies and research