

2015 Social Investments

Our New Frontier

Social investing enables The Kresge Foundation to leverage its assets in ways beyond traditional grants and to support markets not well served by the private financial sector. That may mean providing capital to borrowers doing business in economically stressed communities or to buffer the economic risk of borrowers piloting new financing structures.

Social Investments
9
Total Committed
\$20,300,000

**Capital Impact Partners
Detroit Neighborhoods Fund**
Arlington, Va.
\$2,000,000 guarantee

**Living Cities
Blended Catalyst Fund**
New York, N.Y.
\$2,000,000 loan

**Capital Impact Partners
Michigan Good Food Fund**
Arlington, Va.
\$800,000 loan

**Mercy Housing California
Supportive Housing
Accelerator**
San Francisco, Calif.
Up to \$3,500,000 equity investment

**Commons Energy Slow
Energy Fund**
Burlington, Vt.
Up to \$2,000,000 guarantee

**New Jersey Community
Capital
New Jersey Creative
Placemaking Fund**
New Brunswick, N.J.
\$2,500,000 loan

**Council for Adult and
Experiential Learning (CAEL)
LearningCounts.org**
Chicago, Ill.
Up to \$2,000,000 loan

**Healthy Futures Fund Local
Initiatives Support Corp.**
New York, N.Y.
\$2,500,000 guarantee

**IFF
Kresge Early Years For
Success: Detroit**
Chicago, Ill.
\$3,000,000 loan



if they can prove desired social outcomes are achieved.

If benchmarks are met, the state of Massachusetts will pay back the loan with money saved from building jail cells and housing inmates.

Meeting those benchmarks isn't easy. Roca is working with an extremely challenged population — mostly men, ages 17 to 24, who have served time for felonies and have very little education or employment history. They are often involved with violent gangs and drugs.

"These are kids who have made very bad mistakes, who have not seen a lot of positive options in their lives," explains Lili Elkins, Roca's chief strategy and development officer. "Our job is to look after them and encourage them to come in over and over again until they start to show up on their own and start to change their behavior."

When program leaders weren't meeting targets for referrals for getting men into their building, the project faced a critical moment.

The project funders, including Kresge, restructured the financial elements of the deal to give Roca more time to meet its referral targets. The partners also empowered Roca to change its approach as needed to best reach the desired outcome. That meant going out in the community — on street corners, at local hangouts, wherever Roca could track down its target population. Elkins says such relentless outreach is often the only way to help — and ultimately reduce recidivism and turn the men into productive members of society.

"If we need to tweak the model, we have the flexibility to do that in a way that other, more traditional funding might not give us," Elkins says. "And that's been really great."

Ultimately, Roca spends two years with each individual, providing substance abuse counseling, life skills education, GED resources, job readiness training and court compliance assistance.

"Our program is for people who are not yet ready to consider behavior changes," Elkins says. "It's designed for the guys who don't believe they need to change their lives."

But through Roca, backed by creative financing, they are doing just that.

» Read more about how seemingly intractable social issues are being attacked through the use of grants and social investments in each Program section of this Annual Report.