

Productive Partnerships between Financial Institutions and Nonprofits

**Understand Perspective
Define and Demonstrate the Fundamentals
Count what Counts**

Cort Gross, Devine & Gong, Inc.

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A Matter of Perspective



What does a financial institution see when it looks at a nonprofit?

What does a nonprofit see when it looks at a bank?



Investors vs. Investments

Investor: backer, banker, capitalist, lender, shareholder, stakeholder, stockholder, venture capitalist

Investment: advance, ante, asset, backing, bail, contribution, endowment, expenditure, expense, finance, financing, flutter, flyer, grant, grease, hunch, inside, interest, loan, money, nut, piece, plunge, property, purchase, shot, smart money, spec, speculation, stab, stake, transaction, venture, vested interest

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What do Investors Want?

Return on Investment

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What do Nonprofits Want?

Money

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What do both actually
want?

**To Build
Community Assets**

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Capital at Work in the Community

- Capital: money, goods or services
- At Work: producing measurable results
- In the Community: CRA market boundaries, city or county limits, programmatically defined service areas—or as far as you can reach and still recognize the recipient

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Investor Examples

- Money for real estate developments
- Money for infrastructural or program development
- Leadership training, strategic planning, capacity building
- Forums for discussion and organization

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Investment Examples

- Money to real estate development partnerships
- Organizational operating support
- Jobs for neighborhood residents
- Housing and community programs

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Partnership Fundamentals

**How to develop and maintain
Community Assets effectively?**

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The Binocular View

- Make judgments
- Look for or define positive financial and organizational return *and* productive social change

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Count What Counts

- What does the organization do?
- How well does it do it?
- What does it need?
- What return can it offer?

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Where to start, for both investor and investment

Narrow the field for Social Impact

then

- Measure Leadership
- Measure accountability
- Measure outcomes

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Define Investor Fit and Value Add

- Potential for investor to impact organization with money
- Potential for investor to impact organization with other investment, e.g., strategic growth planning, performance measurement systems, or leadership development
- Openness to Investor involvement
- Shared commitment to achieving mission of both organizations

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