COMMUNITY IN ACTION 2020
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Cover photo (clockwise): Courtesy of Ceres Community Kitchen, Alabama Waldorf School, The Drawing Studio, and Higher Purpose Co.
Photo: 2019 RSF Staff. Photo by Roots & Shoots Photography.
LETTER FROM OUR EXECUTIVE TEAM

Dear Clients and Friends,

Normally at midyear, you would be receiving an annual report from us. But these are not normal times. Given the unprecedented breadth and scale of the upheaval we’ve all experienced over the past several months, we wanted to share some of our reflections and actions in response to what is happening today.

The global pandemic has brought a devastating toll of illness and death, along with widespread uncertainty, fear, social isolation, and an economic shutdown that will have long-lasting impact—especially on the most vulnerable. The effects of COVID-19 have laid bare the stark inequalities—in access to healthcare, financial security, housing, and more—that have long festered in our country. And the recent protests have demanded further attention to the systemic racism that underlies all these problems.

We have been grieving, listening, and reflecting on how, as an historically white organization, we have perpetuated structural racism. To truly support the Black Lives Matter movement and BIPOC (Black, Indigenous, and People of Color) communities and individuals, it is imperative that we do more to be an actively antiracist organization. A few steps we have taken include providing more capital and resources to women entrepreneurs of color through our Women’s Capital Collaborative, hosting economic and racial justice conversations with our clients, and holding a series of all-staff trainings on Restorative Economics and Implicit Bias, led by Nwamaka Agbo, a 2017 Integrated Capital Institute fellow. We are committed to applying what we learn from Nwamaka’s training to our decision-making processes, organizational culture, and offerings.

This is a start. We know we need to do more to ensure that we model our commitments and have the cultural competence and equitable processes and policies required to truly contribute to the just, regenerative, and compassionate world we envision. We are up for the challenge and are dedicating time and resources to it. We will share our journey as we move forward.

In response to the pandemic-driven economic crisis, we have activated our community to ensure that the enterprises RSF supports—which are addressing critical social, economic, and environmental issues—can continue their vital work. At our March Community Pricing Gathering, investors unanimously agreed to accept a lower return so that RSF could reduce borrower rates and seed a new RSF Crisis Response Fund, which provides tailored support to enterprises facing financial challenges. Participants in the June gathering reiterated that commitment.

This Community in Action report highlights just some of the incredible social enterprises we support and how they have been impacted by COVID-19. You will also hear from two of RSF’s donors and how they have been thinking about giving during this time. Lastly, you will meet two RSF Integrated Capital Institute fellows who are rethinking the purpose of wealth and flowing capital where it’s needed most.

We hope this report finds you safe and well, and we invite you to reach out to us with any questions or thoughts. Thank you for the opportunity to work with you.

With gratitude and solidarity,

EXECUTIVE TEAM

John Bloom, Vice President, Organizational Culture

Tim Green, General Counsel

Donna Daniels, Vice President, Philanthropic Services

Deb Nelson, Vice President, Client & Community Engagement

April Hines, Chief Financial Officer

Jasper van Brakel, Chief Executive Officer

P.S. For an overview of our 2019 performance, please see the January executive letter and financial statements on our website.
Our current crises have made visible both the challenges and strengths of global and domestic culture. Crisis forces reassessment of priorities and values. Taking action for an inclusive and just future, and maintaining a commitment to the needs of all community members are essential if we are not to return to old and extractive practices. Each person, each organization, each community, each worldview holds a part of the solution. It will be our ability to collaborate and activate that will mark the path of change.

RSF Social Finance has been working to bring about a relationship-based economy for 36 years, learning and changing along the way. Its next stage will continue its path of service to initiatives and enterprises by inviting an ever-widening circle of practitioners to co-create an economy that works for all. We need all voices, all social finance, and regenerative practices working in association to bring a just economy to fruition.

Community Conversations

As a response to the urgency we felt from our community to connect and respond to the COVID-19 crisis, we developed a series of conversations of inspired practices and visionary leaders in the field of social finance. The goal is to inspire new economic thinking, inform and learn from innovative practices, encourage new structures, and shift consciousness for lasting change.

Some of the conversations have focused on such topics as Systems Innovation with Otto Scharmer and others, Integrated Capital for a New Economy, Understanding Steward Ownership, Money & Spirit, Restorative Economics, and Creating a Solidarity Economy.

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Community Pricing Gatherings

Starting in 2009, RSF began hosting Community Pricing Gatherings, quarterly meetings to create greater transparency and connection between investors and borrowers in our social enterprise loan program. Working together, the community contributes their insight to assist RSF in setting a price for the upcoming quarter.

In March 2020, we held a Community Pricing Gathering amid social distancing, shelter-in-place, a volatile stock market, and a fed rate that had just been dropped earlier that day to near zero.

During the conversation, it became evident that there was great concern for how enterprises would weather the economic storm. Several investors made it clear that they chose to invest with RSF because of our values and what we stand for in the world of finance. One investor stated that if enterprises are at risk because of the economic consequences of COVID-19, she would take less interest in order to support their ability to thrive. Several others spoke in support of this notion, and there was an innovative proposal put forward. The internal RSF Pricing Committee discussed the proposal along with additional insights from our broader investor and borrower community and the context of the current crisis. After careful consideration, the committee agreed to the proposal. The following changes were effective April 1, 2020:

- The Social Investment Fund investor rate decreased to 0.50% from 1.00%
- The 0.50% difference has been redirected to support social enterprises in two ways:
  - RSF Prime, the base rate for borrowers, decreased by 0.25% to 5.00% from the previous 5.25%.
  - The other 0.25% will be added to the RSF Crisis Response Fund.
- RSF’s revenue share remains unchanged at 4.25%

It was an extraordinary Community Pricing Gathering that in all ways rose to the challenge of extraordinary times. It was beyond heartening to experience the candor and willingness of the investors and borrowers to place the reality and financial needs of the whole Social Investment Fund Community above personal needs or expectations. Such a meeting reaffirms that community is the antidote to uncertainty (Update: The interest rate changes were reviewed in June at the Community Pricing Gathering and by the RSF Pricing Committee. The decision was made to keep the rates the same for investors and borrowers and to continue to put 0.25% aside to support borrowers with payment relief).

Crisis Response Fund

Given the critical and timely need for emergency relief funding for social enterprises impacted by the COVID-19 crisis, RSF has developed a program to provide rapid response support. Many borrowers are providing mission-critical services and goods to their respective communities and cannot continue to operate effectively without immediate resources to offset the losses caused by the coronavirus and attendant economic and social consequences.

After assessing the needs of each of the social enterprises in our community, RSF is providing loan payment relief and/or small grants. We are currently providing support to dozens of social enterprises serving diverse populations and plan to support many more in the coming weeks and months.

The Crisis Response Fund provides support to social enterprises working in the following areas:

- Sustainable Food and Agriculture
- Arts and Education
- Climate and the Environment
- Racial and Economic Justice

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RSF’s Collaboratives

Collaboratives are philanthropic funds that allow us to provide different forms of capital—loans, grants, guarantees—to support the growth and success of early-stage, innovative entrepreneurs. During this time, we’re able to utilize Collaborative funds to provide additional support to social enterprises.

**Food and Agriculture Collaborative**
rsfsocialfinance.org/local-food-collaborative

RSF believes that regional food systems can regenerate soil, health, culture, and communities. We provide flexible financing to support organizations that are working to create resilient food system infrastructure, develop agricultural practices that support healthy carbon cycles, strengthen fair trade supply chains, and provide equitable access to farmland. We prioritize funding entrepreneurs and communities who have been marginalized by our food and financial systems.

**Biodynamics Capital Collaborative**
rsfsocialfinance.org/biodynamic-collaborative

RSF Social Finance’s Biodynamics Capital Collaborative supports the biodynamic movement in North America, which is working toward a holistic, ecological, and ethical approach to farming, gardening, food, and nutrition. We support farmers, food hubs, and food businesses working to meet the growing demand for biodynamic products, as well as nonprofit organizations and farm-related businesses looking to expand biodynamics and regenerate regional economies.

**Waldorf Education Collaborative**
rsfsocialfinance.org/waldorf-collaborative

RSF Social Finance has supported the Waldorf Education movement since 1984. We know that the cultivation of human capacities in service to the individual, society, and the Earth is essential for a healthy culture, an equitable society, and a regenerative economy.

We support different communities in today’s Waldorf Education movement working collaboratively to root education in the values of human dignity, social responsibility, and the interdependence of all beings. Grants are made through Shared Gifting Circles, including an upcoming circle to provide funding to Waldorf leadership organizations committed to engaging and guiding their constituents toward centering equity, inclusion, and diversity across the Waldorf movement.

**Women’s Capital Collaborative**
rsfsocialfinance.org/capital-collaborative

The Women’s Capital Collaborative is a philanthropic initiative that partners with women entrepreneurs to provide them with crucial growth capital when they need it most. The Collaborative uses an integrated capital approach to fund women-led social enterprises that are supporting and empowering women and girls. More than 50% of our funding supports women of color.
We have been so inspired by our community, many of whom have responded to the crisis with resilience and flexibility in order to meet the needs of their members. Here are just a few of the extraordinary social enterprises we work with.

“

I don’t think I realized how much strain I was carrying around this whole situation until your message came in. It brought tears to my eyes. Thank you, and everyone else at RSF, so much for all you are doing to help us through this financial crisis. It is so much more than we would have ever been able to expect from a conventional lender, and it is incredibly helpful.”

—TONYA GRAHAM, EXECUTIVE DIRECTOR, GEOS INSTITUTE

The Drawing Studio
thedrawingstudio.org
TUCSON, AZ

The Drawing Studio (TDS) is a nonprofit arts organization that inspires people of all ages and backgrounds to embrace art practice as a pathway to personal growth and healthy community. By offering affordable and free classes for youth and adults, and hosting events and exhibits, it builds awareness about the positive effects of creative practice. Community programming includes the “ArtMoves” curriculum, which integrates visual art with dance, to help participants with various traumas experience themselves as creators and members of an inclusive community.

When the COVID-19 crisis hit, TDS had to quickly pivot and transition all in-person classes to an online format, and it embraced the opportunity to develop new virtual programming that can provide access to additional populations and will become part of the long-term business model. This virtual learning platform launched in April after faculty artists were trained in offering their coursework online, and summer camps have been added for children and teens.

Geos Institute
geosinstitute.org
ASHLAND, OR

The scientists, facilitators, and process innovators at the Geos Institute believe climate change is solvable. To that end, the Geos team helps local governments plan and implement science-based solutions that promote resilience in these changing times. For over a decade, the social enterprise has fostered a culture of awareness, equity, and collective action. Its services are priced to ensure that all communities have access to Geos’s valuable services.

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The largest financial impact of the COVID-19 crisis at Geos has been in the loss of projects in the ClimateWise program, which helps local governments adapt to changing climate conditions and address greenhouse gas emissions. Because local governments are on the front lines of emergency response in the pandemic, these community projects have been put on hold, resulting in a dramatic loss of income.

**Ceres Community Project**
ceresproject.org
SEBASTAPOL, CA

Ceres Community Project is committed to creating healthy people and communities, and a healthy planet. Ceres is a nonprofit that prepares and delivers free, healthy, and organic meals to residents dealing with the stress and challenges of a serious illness. Involving young people as volunteer gardeners and chefs, it teaches teenagers how healthy food makes an impact in the community.

During the COVID-19 crisis, Ceres is navigating how to preserve these impactful programs, and also how to rise to meet the increased need for healthy food among high-risk populations sheltering in place. Ceres now provides approximately 5,200 meals per week to about 415 clients, up from 1,500 meals and 184 clients in mid-March. At the same time, the important volunteer community that helps to do this work has decreased and revenue has been strained from reductions in special events and non essential classes. Donations have been vital to support the work.

**Good News Stories**

In good news, RSF has welcomed some amazing social enterprises into our community, including Faber Street Foodworks and Higher Purpose Co.

**Faber Street Foodworks**
fs98.com
UNION CITY, CA

Faber Street Foodworks supplies sustainably sourced meals to hospitals and schools. RSF’s $5 million loan will help Faber expand capacity with a new energy-efficient production facility that will be the Bay Area home of FoodService Partners, an industry leader in providing sustainable, ethically produced, and locally sourced food for the healthcare, education, and retail sectors. In order to meet increased demand, Faber Street Foodworks will develop 55,000 square feet of energy-efficient food production space in Union City, CA (Bay Area). The facilities will replace the current South San Francisco food commissary that provides sustainably sourced meals for 24 Kaiser Permanente hospitals in Northern California as well as other customers in the education and healthcare sectors. FoodService Partners works closely with Kaiser to improve the conditions for health and equity in the communities where they operate by addressing the root causes of health, such as economic opportunity, affordable housing, safe and supportive schools, and a healthy environment.

**Higher Purpose**
higherpurposeco.org
CLARKSDALE, MS

Higher Purpose Co. (HPC) was founded in 2015 as an economic justice nonprofit based in Clarksdale, MS. Its mission is to build community wealth with Black residents in Mississippi by supporting the ownership of financial, cultural, and political power. HPC’s strategic goal is to transform 200 Black community members into becoming
entrepreneurs by starting their own businesses with measurable success as demonstrated by revenue earned and social impact over the next three years.

While HPC’s impactful work and its support of Black women entrepreneurs is aligned with the mission of RSF’s Women’s Capital Collaborative (WCC), the loan sizes that HPC offers to its entrepreneurs are unsustainable for RSF’s capacity. In this situation, the best way to partner with HPC is by leveraging funds from the WCC through a guaranty structure.

This required the introduction of a third partner to the relationship: Communities Unlimited, Inc. (CU). CU was founded in 1976 as a nonprofit CDFI based in Fayetteville, AR, with a mission to move rural and underresourced communities in areas of persistent poverty in the South to sustainable prosperity. CU serves communities and has staff in Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas. These regions include 45% of the U.S.’s persistent-poverty counties, where more than 20% of the population has lived in poverty for over 30 years.

The agreement between RSF, HPC, and CU essentially reserves a $100,000 pool of WCC funds at RSF to be leveraged by CU for providing loans to Black women entrepreneurs and unlocks access to capital for women entrepreneurs throughout Mississippi, and will be especially helpful during this time when small businesses are at risk and financing is difficult to secure.
Lora Smith

Lora Smith cofounded the Appalachian Impact Fund in 2017 with partners at the Foundation for Appalachian Kentucky. The Fund has directly invested over $3M into the region to support a just and equitable transition and has become a trusted intermediary for major donors and foundations. The Fund not only puts resources back into the region through grantmaking, lending, and equity investments, but also creates new channels for capital to flow. Lora is an alumna from ICI’s inaugural cohort (2017-18).

The Appalachian Impact Fund (AIF)

My work is grounded in place. I grew up in Southeastern Kentucky, the poorest subregion of Central Appalachia. My grandparents worked for the railroad company and were union members—that was the beginning of my understanding of labor and collective power.

Although my parents were attorneys and I grew up with wealth, I was surrounded by other family members, friends, and classmates who didn’t have access to wealth. In Appalachia, poverty is very visible and acute and is always present and proximate regardless of class.

This area was poor due to a history of colonization, dispossession, and extraction by the coal industry. After the region provided the raw materials to build America and billions of dollars were extracted from it, extreme generational poverty unjustly still exists here. Appalachia is not a place—it’s a situation that must exist in order for extractive capitalism to exist. This town was also the site of a 1919 racial expulsion, part of what is known in the U.S. as “Red Summer.”

The connections between income inequality, antiblackness, and capitalism were very present, and I started connecting the dots. Those connections led me to work in grassroots social justice organizations and then to philanthropy and impact investing.

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We created a downtown business fund that makes grants to small businesses and provides 0% interest loans—in a matter of four weeks, we funded over 150 local businesses, who represent over $27M in gross sales and almost 700 jobs. I’m excited that we are directly redistributing wealth in a place it was extracted from using creative tools such as integrated grant and loan capital.

The ICI helped broaden my thinking about what was possible and what the field of integrated capital included. It deepened my commitment to working on racial equity as a white woman serving a predominantly white and rural population. I gained a network of trusted colleagues that I call on for advice and get to collaborate with from time to time.

My advice for people who want to help create an economy that works for all is to get clear on your values and build authentic, nontransactional relationships with people. New skills, tools, and models for the work will continue to evolve and change, but you can’t be flexible about your core values and personal truths. You can’t build trusting and transparent relationships with others if you’re not clear about your own truth. This involves doing deep personal work, evaluating your relationship to money and capital, and if you’re white, continuing to do decolonization and antiracism work. It takes this ongoing commitment to create inclusivity, equity, and real change in our field and the world.
Stefanie works in investments with Impact America Fund, where she is particularly interested in the network effects that propel bootstrapped entrepreneurs. Stefanie is an alumna from ICI’s second cohort (2018–19).

Impact America Fund
Some of the most influential life experiences are my earliest ones, including day trips with my father to New York City. The city connected him to global commerce in a way that provided visibility into a path of economic opportunity and business ownership. We would travel the almost 300 miles each way, from DC to NYC and back in a single day. That 24-hour turnaround was pivotal—it conveyed a sense of the necessary hustle that entrepreneurs pride themselves on.

While my earlier years informed the “why,” my later years started to inform the “what” and the “how.” The privilege of my profession, working on Wall Street, starkly contrasted that of my father’s, whose consisted of struggles for loan approvals from banks that weren’t interested in extending credit to Black people. His hard work and tenacity afforded me the access he was never granted, and that access eventually yielded capital, resources, networks, influence, and know-how. By taking the time to connect my work at a large financial institution to what happens on the ground with entrepreneurs like him, I’ve been able to focus on what I can effect based on the deep, systemic needs of start-up communities that are grossly overlooked and unseen.

At our venture capital firm, Impact America, we work with entrepreneurs who build scalable technology that supports some of the most essential sectors of the U.S. economy, where margins are thin, reinvestment is nonexistent, and worker compensation and upward mobility are typically capped. The introduction of tech into commercial activity allows for greater efficiencies and information symmetry that was not previously possible without tremendous upfront costs.

Affordable software can enhance what organizations do well while eliminating what they do not. This, in turn, elevates the standard of business while lowering costs in order to make reinvestments possible. Over the longer term, these compounded benefits—via technology—spur economic viability for organizations and their surrounding communities.

The time spent with individuals within my ICI cohort has been a life-giving gift. Those moments have served as gentle, authentic, frequent reminders of those spaces that exist in between the heavy, rigid, often conflicting concepts I juggle daily and the less than perfect, complex, incomplete messiness of life. An economy that works for all does not mean that it is preferred by all but brings to life what we envision as just and right for all humans, requiring us to focus on what we truly need.

That focus will call on many of us to give up something quite significant, often embedded in those things that bring us deep comfort and security. Until we are willing to push up to the very edge of what causes our fears and insecurities, we will not have paid the full price for the liberation that we seek.

I believe there is a transition happening that will change our notion of “future.” Regardless of what it becomes, I’d want those who come after me to realize that the work itself will never be over until we collectively find the capacity to build toward something far greater for ourselves and our humanity than what exists now, especially as it relates to equity, justice, agency, and opportunity for all people. Today, I look for a signal of that future amid the civil unrest, and I say the names of my brothers and sisters who we’ve lost to unjustifiable state violence—George Floyd, Ahmaud Arbery, Breonna Taylor, Tamir Rice, Eric Garner, Aiyana Stanley-Jones, Philando Castile, and many others. May the acknowledgment that your lives mattered beckon our forward march into this long-awaited collective future of newer and greater possibilities.
Deb Nelson is RSF’s vice president of client and community engagement and guides RSF’s field building and client engagement programs, including the Integrated Capital Institute and Women’s Capital Collaborative.

Sage Wheeler is a longtime RSF investor, donor, and a personal life coach who specializes in supporting people recalibrating and healing from life’s challenges. In this conversation, they explore how the COVID crisis and systemic police violence against people of color are sparking change.

Deb Nelson, Vice President, Client & Community Engagement

Sage Wheeler, RSF investor, donor

Deb: I know you don’t usually do these kinds of things, so why did you decide to say yes to this interview?

Sage: If a worldwide pandemic, the murder of George Floyd, and the ongoing systemic racial violence it exposes isn’t a call to action to do things differently, I don’t know what is. While we are tackling systemic racism and a pandemic, our financial system bears examining as well, because it’s all connected. RSF has been examining financial systems for a long time, and I believe so strongly in the work of RSF that I couldn’t not do this.

Deb: Can you tell us about a person who influenced who you are and what you do?

Sage: I would say both my parents, because of their commitment to service and community—my father because of his integrity and his ability to listen and my mother because of her strong will. They both shaped a lot of who I am and inspired my curiosity for looking upstream for solutions and digging deeper into issues.

Deb: And you’re carrying that commitment forward. What did you learn about money when you were young?

Sage: I was curious and had a lot of questions about money. The family culture was “don’t ask, don’t tell,” and Econ 101 in college did nothing to inspire my interest in finance. They weren’t talking about money relative to people and the Earth. I was interested in human development and became certified to be a high school English teacher, which led to a master’s in education focusing on the Waldorf method, which led me to RSF!

Deb: How did your views about money change over time? Were there messages that you heard about money that didn’t ring true to you?

Sage: I was raised in a classic, white New England way of life and felt confused by the messages of frugality juxtaposed with our upper-middle class life. As an adult, I realized I had more than I needed, so I found my own path using the example that my parents gave of service, generosity, and commitment to community. My whole trajectory changed in terms of what became possible for me to be involved with.

Deb: I love your work. What inspired you to do the work you now do?

Sage: I work as a coach (doing work similar to what I try to make happen with my investments and philanthropy) by supporting healing and creating new systems, only with individuals. I’m working with nervous systems as opposed to financial systems. I work with people recovering from trauma and women in chronic pain. When life brings us to our knees, it’s extraordinary how we can heal with loving support and some good tools. And that’s what I provide as a coach.
Deb: Have the COVID crisis and recent protests impacted the work you do? And if so, how?

Sage: It’s made it more pressing, professionally and personally. The COVID crisis and the videos of police brutality have shown we are all connected and brought the inequality in our systems into the forefront of white people’s minds. And it’s forced the question, if we can respond so dramatically to COVID, why are we not doing the same to respond to racial injustice and climate issues? The fact that governments responded in dramatic ways to the COVID crisis showed me that a quick response is possible and demanded even more engagement.

Deb: How did you get interested in transforming financial systems?

Sage: The 2008 crisis revealed the dysfunction in our financial systems and liberated me from the anxiety that I didn’t know enough about finance. It showed me that even many financial professionals don’t fully understand the real impact of the system in which they’re working and the products they’re selling.

That liberated me to ask questions, and these crises continue to push me to just keep trying. Getting out there and asking, what needs to be transformed? What needs to be healed? What are we learning? And how do we redesign systems so they can reflect true priorities? Not financial priorities, not white priorities, but true priorities that support justice and all life equally.

Deb: I appreciate what you said about learning from the 2008 crisis, because one of the great myths we’re taught is that when it comes to money, we should just leave it to the experts. Well, look what the financial experts did. It wasn’t pretty.

Sage: Totally, and if that didn’t piss you off and make you want to change things, our current events certainly will.

Deb: Exactly. We need to find a new way, but it means letting go of so much of what we’ve been socialized to believe about money, gender, and race, and looking squarely at our own biases. There are solutions everywhere, and often the most-needed solutions aren’t acknowledged, supported, or funded, especially if they’re initiated by women or people of color. And right now so many people are realizing that how things work now is not working for people or the planet.

Sage: And the fact is that it hasn’t been for a long time. As I’ve done a deeper dive into history and reading about redlining, for example, this is just one problem that we’ve known about but haven’t chosen to solve on a systems level. It hasn’t been working for people of color for hundreds of years, and the videos of police brutality show that not much has changed. We have work to do as a country to come to terms with the legacy of how this country was founded and on whose backs it was built.

Deb: This is one of the things we’re working to change through our Integrated Capital Institute, our field-building work, and working with people like you.

Sage: There’s so much I didn’t learn. You know? So, I have some work to do.

Deb: You have a role in helping to shape things, for sure. I know you’ve influenced and impacted the lives of others and vice versa. How did you become a coach, and how has it evolved?

Sage: My work began out of my own healing. A friend of mine said in the early 2000s, “You’re different. What are you doing? Why are you different?” When I told her, she said, “Put together a group and teach us.” And that’s how I became a coach, because someone noticed that something had shifted in me. My work is to empower others in their healing with the tools I have learned and continue to learn.

Deb: What made you decide to support RSF?

“Challenge assumptions... follow your gut, and keep learning.”
**Sage:** Because of my training as a Waldorf teacher, there was a philosophical alignment. When RSF evolved to start challenging and pushing the edges, I became interested and excited because you were thinking about how to transform the way people work with money. And your approach was direct, transparent, and personal—the opposite of most financial institutions. So it was an easy partnership; the priorities were exactly the same. You were thinking and talking about money the way I wanted someone to think and talk about money. It’s connected to humanity and the planet.

It parallels my own understanding and growth as a person who, in shepherding financial resources, was bumping up against the limitations of traditional investment and philanthropy. I love what RSF is doing around money, agriculture, food, and systems change.

**Deb:** What inspired you to become engaged with and support our Integrated Capital Institute (ICI)?

**Sage:** Talking with traditional financial advisors felt disassociated from my values. I wondered why we weren’t talking about finance and our relationship with money in an embodied way, connecting our choices with their impact. Training financial advisors to think more holistically, to deploy a range of options, just makes sense, and ICI is doing that.

**Deb:** What advice do you have for other investors and donors?

**Sage:** Challenge assumptions, your own and others’, follow your gut, and keep learning, because what we need is beyond anything that we have imagined thus far.

And answer the call that COVID, racial, economic, and environmental injustices are asking of us. Do the inner work while supporting the outer work to transform and heal what ails us now. Make a real commitment to listening and being in relationship with people who aren’t in your usual social circle - to learn and transform for what is needed.

As an example, Women Bridging Worlds (WBW), a cross-race leadership training led by Nina Simons and Rachel Bagby, has been and continues to be a huge support for my growth and learning. It’s an opportunity to go beyond the mental exercise of what we are trying to do and embody the physical, emotional, and spiritual transformation to support our efforts in a diverse, supportive and challenging community.

I’m also grateful to be participating in gatherings where I meet extraordinary people who are sharing their wisdom with me, like Orland Bishop, Robin Kimmerer, Pavi Mehta, and Dr. Nate Hagens.

**Deb:** Great advice. What gives you hope in these challenging times?

**Sage:** In my town, someone put together a Facebook page for community members’ needs, and we immediately began exchanging support in all levels, whether it was a need for groceries, masks, or whatever. I see hope in the local response of all kinds of people coming together, connecting and supporting each other no matter what.

We’re wired for connection, and we have the capacity. It’s whether we have the knowledge and the will to make life on the planet sustainable, physically, mentally, emotionally, and spiritually, for everyone.
Our RSF donor community is full of active givers, with an average payout rate of 40% and climbing over the past three years. Even in this context, we witnessed and celebrated a dramatic increase in grantmaking in response to the COVID-19 crisis, with an apex of three times the average grant dollars making their way out to support crisis response work in the month of April. Overall, the first six months of 2020 resulted in $22M in grant funding flowing out into the world. We have been deeply inspired by our donors’ response to increase their already active giving during these unprecedented times.
The National Day Laborer Organizing Network (NDLON), a nonprofit organization based in Pasadena, CA, with more than 60 worker centers nationwide, improves the lives of day laborers, migrants, and low-wage workers. By building leadership and power among those facing injustice, NDLON empowers workers to challenge inequality and expand labor, civil, and political rights for all. NDLON established the Immigrant Worker Safety Net Fund to provide direct assistance to migrant workers who find themselves uniquely vulnerable in the face of the coronavirus crisis. The Fund distributes money and resources to those with the most immediate needs, to those excluded from government relief efforts, and to immigrant workers who are most marginalized, including day laborers, refugees, and low-wage workers, and has received several grants from RSF Donor Advised Funds over the past few months.

There is a significant segment of migrant workers who have worked in the U.S. for decades yet, despite years of contributions, their humanity has been denied. As a result, essential migrant workers do not have a basic safety net to survive, with the exception of immediate family members, their worker centers, and their community-based organizations. In response, the Immigrant Worker Safety Net Fund has been designed to specifically help workers over 60 years old; workers with disabilities and medical conditions that make them more vulnerable to the virus, or those who fall ill with coronavirus; and worker-leaders, organizers, and volunteers who fall ill while educating and serving others. To date, NDLON has provide cash assistance to more than 4,000 workers, supported food distribution efforts from several worker centers and developed education materials on coronavirus safety for distribution to worker centers, day labor corners, and through their own Radio Jornalera.
Zeph Fishlyn

Zeph Fishlyn (pronouns they/their) is a multidisciplinary visual artist dedicated to personal and collective storytelling as nonlinear tools for reinventing our world. Their most recent work explores absurdity, embodiment, intimacy, and playfulness as foundations for resilience, creative subterfuge, and action in the face of overwhelming circumstances. Zeph is a serial collaborator with groups inventing creative responses to economic crisis, climate change, and LGBTQ liberation.

Here, Zeph shares their thoughts about philanthropy’s response to the COVID-19 crisis and the national uprising to dismantle racist policing.

The COVID crisis is just intensifying pre-existing structural inequities that are fueling the uprising. Those inequities require long-term organizing approaches that offer alternatives to broken and racist systems. There are so many groups that are being hard hit right now—for example, undocumented people and under-the-table workers are unable to access the majority of governmental relief efforts.

The main question that’s coming up for me is how to balance the need for immediate relief while supporting long-term and structural change. When I can support existing networks organizing with that longer-term vision who can also use immediate funds for doing relief work within their own communities, it’s two birds with one stone.

One group that’s doing this is National Day Laborer Organizing Network, who added a COVID-19 relief fund. There are many others. I also donated to Community Ready Corps, a Black grassroots organization who work on disaster preparedness in the Bay Area, and Black and Pink, who work with HIV-positive prisoners who already are subjected to substandard conditions like overcrowding. I also just made the largest donation of my life to the Right to the City Alliance at a watershed moment for tenant organizing amid mass unemployment.

We are in a momentous, awful, revelatory, deadly, and inspiring time. I think most of us feel that electric energy, knowing 2020 will go down in history, though it’s hard to say yet how it will turn out. For those of us with access to wealth, now more than ever is the time to put it in the hands of people who already do so much with so little. Thanks to grassroots organizers and everyday people throwing down, longstanding inequities are coming up for review and corrective action.

What kind of world do we want to live in? What kind of relationship do we want with communities we are connected to and depend on? What can we shift to contribute to a world where all can thrive?
Native American Bank Provides Crucial Financing to Indian Country

RSF’s Donor Advised Funds are invested in funds, community banks, and companies that are mission-driven and focused on climate change solutions and social justice. Rather than seek market-rate returns as an exclusive goal, we make appropriate risk and return trade-offs to optimize for impact-first. Since the COVID crisis began, we have increased our investment in Native American Bank (NAB) to help meet the increased need seen in its communities.

In 2018, the Red Lake Band of Chippewa Indians desperately needed a grocery store. The rural Northern Minnesota tribe had a trading post on the reservation, which stocked basics like milk, chips, and toilet paper. But if someone wanted lettuce in January, they had to travel a snowy 60 miles round trip to get it.

The tribe had long dreamed of expanding its trading post into a full-service grocery store. But getting financing for projects in Indian Country—the accepted term for U.S. reservation land—is always a challenge.

Fortunately, they could turn to the Denver-based Native American Bank (NAB) for help. NAB—the country’s only tribally owned nationwide bank—put together a deal that gave the Red Lake Band the best loan possible by pairing the lending with the Federal New Markets Tax Credit program and a U.S. Department of Agriculture loan guarantee. It was the first of its kind in Indian Country, and the deal was so innovative that it won the Native American Financial Officers Association 2019 Small Deal of the Year.

Responding To Communities In Crisis

The COVID-19 pandemic hit Indian Country particularly hard—for example, the Navajo Nation is seeing higher rates of infection and death than the rest of the U.S., and its healthcare facilities are overwhelmed. When the federal government announced the Payroll Protection Program (PPP), the bank acted right away to ensure that its community members would get their fair share of the Small Business Administration loan pool.

Staff reached out across Indian Country, leading trainings and webinars and partnering with Native organizations on outreach to both businesses and nonprofits. They also provided individual attention to small-business owners and tribal corporations—many of them would have been left out because other banks were unresponsive, wouldn’t lend to noncustomers or couldn’t because they were not familiar with the unique structures of tribally owned enterprises or businesses incorporated under a tribal government instead of a state.

“This is where Native American Bank has particular expertise,” says Joel Smith, NAB’s senior vice president and chief credit officer and a member of the Caddo Nation of Oklahoma. “We have been committed from the start that we need to be there for businesses across Indian Country—they need services they can’t get elsewhere.”

The outreach paid off: NAB secured 134 loans totaling $39.8 million, saving more than 4,700 jobs as of May 31, 2020. Over 92% of the money stayed in Indian Country; 78% of that was loaned to tribal businesses. It also increased the number of the bank’s commercial customers by 200%.

The deep community outreach and creative financing exemplify what makes NAB, a
community development financial institution, unique. “Native American Bank is a change agent working on a system level,” says Carolyn Ezelino, RSF investment manager. “They’re truly a partner to the underbanked within Native communities, making sure they get the attention and services that they deserve.”

Building A Bank To Address Unique Needs

Historically, Native American tribes have struggled to become self-sufficient partly because they lacked access to financial capital and services. Banks are reluctant to work with tribal and reservation communities because their land is technically held in trust by the federal government, which means it can’t be mortgaged. Financial institutions are also scared off by tribal sovereign immunity, which leaves them wondering whether laws and contracts can be enforced on the reservation.

To address this, 20 tribal nations and Alaska Native corporations banded together in 2001 and bought a small Montana bank, Blackfeet National Bank, to form Native American Bank. Each pitched in $1 million in capital.

Today, 35 tribes, tribal corporations, Alaska Native corporations, and nonprofit organizations govern the bank. Half the bank’s 30-person staff is Native American.

“We know the ins and outs of how to finance on-reservation projects, which are not nearly as straightforward as the kind of transactions that most other banks are used to,” says Smith.

Nearly all the loans that NAB makes are to entrepreneurs and tribal businesses in Indian Country. (The bank does not lend to gambling operations.) What’s more, none of its loans to tribal communities has ever defaulted. That, says RSF’s Ezelino, debunks “a common misperception that you can’t lend to these communities, that they’re high-risk.”

Plenty Of Projects, Not Enough Capital

There’s a tremendous demand for capital for projects in Indian Country—there are many in NAB’s pipeline. But the bank has only $150 million in assets, not nearly enough to fund them all. (The bank provides personal loans as well.) Because the bank restricts its ownership to tribes and tribally owned corporations, it can’t take on outside investors, as other banks and CDFIs often do.

A few years ago, however, the bank realized that it could help fund reservation projects by raising deposit balances, mainly through what Smith calls “social depositors”—outside entities that could make a substantial deposit in the bank without becoming a shareholder.

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After connecting with NAB at a conference for the First Nations Oweesta Corporation last year, RSF became one of those social depositors. RSF did its due diligence on NAB, and at the end of 2019, it invested in a $1 million certificate of deposit from NAB.

And RSF went even further, providing NAB with incentives and technical assistance to develop impact management practices and goals instead of tracking generic or predefined metrics. By defining its own impact outcomes, NAB will be better able to articulate the significant impact it makes in its communities and attract other social depositors.

“We’re a small bank, and it’s tough for us to go out and hire a full-time person who has all the requisite experience and expertise to do this right,” says NAB’s Smith, “but RSF has the resources to help us develop more of our tracking methods and practices.”

As NAB improves its impact measurement, RSF has made a commitment to increase its investment in the bank, from $1 million to as much as $3 million. In fact, NAB has met a number of its goals, so RSF has already increased its investment by $500,000 via a money market account, which helps lower NAB’s cost of capital.

That’s good news for Native American Bank. “We continue to source a lot of deserving tribal and community member needs, and we need deposits to be able to meet that need,” says Smith. “There are more deserving projects than we have the capacity for as a small bank. In Indian Country, the need is just tremendous.”