

Catalyzing Change: The Chicago Community Trust's Strategic Evolution in Impact Investing

INVESTMENT STRATEGY SPOTLIGHT

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— Kristin Carlson Vogen, Chicago Community Trust Senior Director of Philanthropic Services

As a community foundation, The [Chicago Community Trust](#) is a public charity, serving a specific geographic area and engaging a broad spectrum of donors to collaboratively address local needs. For the Trust, impact investing is intertwined with democratizing philanthropy and its goal to engage a diverse donor base. As of 2023, the Trust offers programs that intentionally align financial investments with social and environmental missions.

Chicago Community Trust's impact investment journey began with a clear goal, as explained by Kristin Carlson Vogen, the Trust's Senior Director of Philanthropic Services: "There's a dual mandate for impact investing for us as a donor advised fund sponsor. And I think it's about mission alignment of our investment assets from the perspective of us as an organization, as well as a tool for donor engagement." According to Vogen, this involved defining the organization's mission and identifying investment opportunities that resonate with core values. This meant focusing on democratizing impact by being in partnership with the Trust's donor-advised fund (DAF) holders.

At the heart of their initiatives is the [Benefit Chicago](#) program, launched in 2016 in collaboration with [MacArthur Foundation](#) and [Calvert Impact Capital](#) – organizations that shared similar values and had experience with impact investing. This program aimed to democratize impact by providing impact investment opportunities for DAF holders. Focused on various components of impact investing, including loans to local intermediaries and Program Related Investments, Benefit Chicago laid the foundation for the Trust's subsequent endeavors.

In 2020, the Trust, in partnership with [CapShift](#), launched a comprehensive [impacting investing platform](#). This came after internal research, stakeholder engagement, and a pilot program for a small subset of donor advised fund holders. The platform offered a curated list of impact investment options for donor-advised funds in alignment with the [U.N.'s Sustainable Development Goals](#). With an emphasis on diverse investment choices, from ESG mutual funds to locally focused investments with Community Development Financial Institutions, the program aimed to cater to a spectrum of donor preferences.

The Trust's journey provides an example of the important balance between impact and financial returns. The Trust's Investment Committee faced challenges such as evaluating investments that didn't conform to traditional models and a slow uptake by DAF holders.

Thus, engaging donors proved pivotal in the Trust's impact investing success. The opt-in program allowed donors to participate based on their interests, and extensive one-on-one communication proved essential. The Trust recognized that donors gravitated towards ESG mutual funds that felt more familiar as well locally-focused investment choices. Laura Kernaghan, Senior Director of Investments, explained that these investment choices, "allow them to also have that deep emotional connection to what their charitable funds of the trust are ultimately doing." Clear communication, offering a variety of investment options, working with investment managers with diverse backgrounds and identities, and strategically reaching out to donors helped the Trust move through its impact investing journey.

As the Trust envisions the future, building a scalable program involves not only engaging donor-advised funds but also exploring possibilities for impact investing with endowment dollars. Ultimately, for the Trust, Vogen asks, "How can we [activate these assets](#) for good before they are granted back out?"