



Name of Organization/Fund:

IMPACT Central Indiana Racial Equity Investment Fund

Founding Partners:

Central Indiana Community Foundation and affiliates, The Indianapolis Foundation and Hamilton County Community Foundation, and additional national foundations

Overview:

IMPACT Central Indiana will be seeking a consortium of investors to partner, fund, and assist in growing opportunities to cultivate black and brown entrepreneurs and businesses.

- Mission of CICF and affiliates: to mobilize people, ideas and investments to make this a community where all individuals have equitable opportunity to reach their full potential—no matter place, race or identity.

Traditional philanthropy focuses on driving grants to enhance programs and services throughout our not-for-profit landscape. What it has not traditionally focused on is the purposeful growth and advancement of economic development in our Black and Brown communities. To fulfill our mission, this fund will address the economic and systemic barriers to people of color throughout Central Indiana.

Background:

“By 2050, our country stands to realize an \$8 trillion gain in GDP by closing the U.S. racial equity gap. ‘Closing the gap’ means lessening, and ultimately eliminating, disparities and opportunity differentials that limit the human potential and the economic contributions of people of color.”

—*The Business Case for Racial Equity*, Ani Turner, Altarum.

To further illustrate this point:

- Based on Raj Chetty’s 2018 Equality of Opportunity Project, Indianapolis ranked 47 out of the 50 largest cities in America for upward economic mobility. A child born into the bottom 20 economics percentile has just a 4.8% chance to essentially earn their way to the top 20 percentile. For children of color, it is half of that. If you’re born poor in Indianapolis the chances of you remaining poor are highly likely—and nearly impossible if you are not White.
- *Forbes* reported that 40% of venture capitalists attended either Harvard or Stanford, while *Business Insider* found that for the last 30 years, only five percent of the attendees of Harvard Business School have been Black.
- The top U.S. investment banks are two-thirds male and 80% White at the executive level.
- Of the \$69.1 trillion global financial assets under management across mutual funds, hedge funds, real estate and private equity, fewer than 1.3% are managed by women and people of color.
- 90% of venture capital goes to White male led teams.

The Opportunity:

IMPACT Central Indiana, in coordination with its founding partners, will respond to the lack of funding in Black and Brown communities across Central Indiana by sourcing, vetting and administering social impact investments to increase the number of Black and Brown entrepreneurs and businesses across Central Indiana. Efforts include:

- \$100,000,000 fund developed over a 5-to-10-year period
- Investment in pre-seed, seed, and series A companies
- Loans from \$1,000–100,000
- Investment in funds looking to grow Black and Brown entrepreneurs and business
- Investments opportunities to Black or Brown entrepreneur or business in Central Indiana
- ITIN accepted in place of SSN (making loans available to entrepreneurs who have immigrated to United States)

Social Opportunity- Dismantling Institutional Racism/Inclusive Economic Growth:

- **Who is impacted:** Black and Brown entrepreneurs and businesses
- **What is changed:** Diverse, multiple sector economic development
- **Where is the impact:** Central Indiana
- **Significance of investment:** Black and Brown entrepreneurs and businesses of Central Indiana are being disproportionately affected by systemic barriers.

Fund Size & Investor Commitments:

The Central Indiana Racial Equity Investment fund is looking to raise \$100,000,000. Minimum investment for individuals is TBD and TBD for institutions.

Financial Return:

Funds invested through IMPACT Central Indiana will be invested in multiple types of investments. Allocation of returns will be based on the proportionate unitized share value within an individuals or organizations current estimated value. Returns will receive a 20% performance fee allocated to IMPACT Central Indiana. Funds are charged a 1% fee at time of gift.

[LEARN MORE ABOUT IMPACT CENTRAL INDIANA](#)