

# Youth Investment Fund

## A Socially Responsible Investment (SRI) Opportunity

DIAL/SELF Youth and Community Services occasionally borrows funds for the expansion of programs, social enterprise seed funding, working capital, and bridge financing. Potential lenders include residents, businesses, churches, and non-profit groups who want to support community-based services for youth, but who would prefer at this time to lend money for this purpose rather than make an outright gift.

DIAL/SELF has been an important provider of youth and volunteer-based services since 1977, and has seen significant organizational growth over the past 5 years. Its most recent achievements include the launch of the ACT Volunteer Center in 2007, the complete renovation of a 5 unit supported housing project in Turners Falls, the successful solicitation of a \$100,000 anonymous gift, the procurement of \$1.7 million to convert a former office building into 10 supported efficiency apartment for at-risk youth, and the successful expansion of the RISE Program, from 1 school in 2006 to 7 schools in 2009-2010.

Loans to the **Youth Investment Fund** can be for any amount, and can be anywhere from interest-free to near-market rate. Many SRI lenders are concerned with both the social impact of their investment, and making a reasonable rate of return. Most loans are unsecured, and for at least 1 year.

An SRI can have a very positive impact on the agency, in the following ways:

- Bridge loans can allow a project to move forward when committed funding is delayed, such as when the Boston Community Loan Fund provided \$200,000 for the rehab of DIAL/SELF's affordable housing project at 25 11<sup>th</sup> St. in Turners Falls when there was a delay in receiving funds from another source. When those other funds arrived, BCL was paid off.
- Site control loans enable the agency to place a down payment on a property while other financing is being arranged, such as when a supporter of the agency lent \$10,000 toward the purchase of 15-17 East Main St. in Orange. When an acquisition loan from CEDAC was received, the SRI lender was repaid.
- Working capital loans make it possible for DIAL/SELF to continue operations of programs and services when there is a delay in receiving anticipated funds from other sources (e.g., state agencies, private foundations, fundraising events, etc.), such as a \$5,000 loan made to the agency by Board member because of a delay in receiving reimbursements from a state agency.
- Seed loans represent opportunities for DIAL/SELF to move forward on a new project for which there is a reasonable expectation that funding will soon follow, such as when the agency invested in the start-up of both the RISE Program and the ACT Volunteer Center. Since its launch in 2006, RISE has grown from 1 school to 7 schools for the 2009-2010 school year, and is becoming more sustainable because of partnership fees from the schools. Similarly, since its launch in 2007, ACT has expanded from Franklin County to also include Hampshire County, and has brought \$150,000 of income into the agency.

The **Youth Investment Fund** is one of the tools DIAL/SELF uses to continue being a leader and innovator as a community-based organization. For some supporters, an SRI can be more appealing than a gift, as a way to have a major impact on the lives of at-risk youth, and enhance the quality of life in your community. *DIAL/SELF also can accept tax-deductible gifts for the Youth Investment Fund, as permanent loan capital, social enterprise seed funding, and to cover operating expenses of the Fund.*

**For further information about DIAL/SELF and SRI opportunities with the agency, please contact David Voegel (Executive Director) at 774-7054, ext. 107.**