

# RSF quarterly

WWW.RSFSOCIALFINANCE.ORG

INSIGHTS INTO INVESTING, LENDING, AND GIVING

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Solar Richmond graduates unpack solar panels

## what is a green job?

- A Blue-Collar Job Upgraded To Respect The Environment?
- One That Pays A Family-Supporting Wage?
- An Organic Farm Worker? A Solar-Panel Installer?
- One That Includes Health Coverage?

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INVESTING, LENDING, AND GIVING | INSPIRED BY THE WORK OF RUDOLF STEINER

 FOOD & AGRICULTURE

 EDUCATION & THE ARTS

 ECOLOGICAL STEWARDSHIP



LETTER FROM DON

## A Unique Combination of Tools To Support Green Jobs

Working with all of you as co-creators, we seek to transform the way the world works with money. A bold statement, but what does it mean? How will we know we have been effective? Where will we look to see progress?

One place to start is Richmond, California. Here, Michele McGeoy and her team at Solar Richmond are training the next generation of solar technicians. After just four years, her nonprofit program is recognized as a shining light and national example of green job training in low-income areas (see page 4.)

Programs like Solar Richmond need money to operate, of course—especially in their early stages. And RSF Social Finance has a unique combination of tools to deploy in this effort.

First, we have used **grant funding** to raise awareness about the importance of green jobs and to create a national advocacy network promoting the new green economy. RSF recently facilitated \$3 million in grants to Green For All. Another example is our 2009 Seed Fund grant to People's Grocery, which is being used to help start the organization's new green jobs training program (see page 5).

Next, we are launching a series of low-interest loan funds designed to support green jobs in disenfranchised areas. With these new **PRI Funds** (see page 3), we will help family foundations make effective use of loans—not just grants—to these important nonprofit and for-profit social entrepreneurs. If you know leaders of family foundations who may have interest in these PRI Funds, please let us know.

Through our **Social Investment Fund**, we provide crucial working capital to social enterprises that create green jobs, such as Enssolutions Corporation (see page 5). Enssolutions is an environmental services company that mitigates the damage done by mining and construction through its unique use of organic applications for industrial sealing and dust control.

We also generate green jobs through our cash deposits. By August, we will have invested over \$6 million in certificates of deposit (CDs) at 10 community-based banks and credit unions, including: ShoreBank, Southern Bancorp Mississippi, and Latino Community Credit Union.

We believe every human being can play a meaningful role in ecological stewardship in the 21st century. Fortunately, entrepreneurs all over the world are germinating businesses and nonprofits to address the root causes of our environmental problems, and are using the power of private enterprise to bring truly transformative projects into being.

### 2008 ECOLOGICAL STEWARDSHIP HIGHLIGHTS

**Numbers of grants: 60**

**Grants in dollars: \$1.8 million**

**Percentage of total grant making: 13%**

**Number of loans: 8**

**Loans in dollars: \$25 million**

**Percentage of total lending: 24%**

Please join us in congratulating Solar Richmond, Green For All, Enssolutions, People's Grocery, and other RSF-supported organizations for their essential work in demonstrating the many ways that economic development can be an integral part of ecological stewardship. ♻️

All the best,

Don Shaffer, *President & CEO*

### ► REIMAGINE MONEY BLOG

Don Shaffer starts an online conversation about the scale of the financial system: [www.rsfsocialfinance.org/banking-crisis](http://www.rsfsocialfinance.org/banking-crisis)



 INSIGHTS

# Green Jobs & the RSF PRI Funds

By Elizabeth Ü, Manager, Strategic Development

In these economic times, PRI loans offer a great opportunity for foundations to meet their goals.

Like all businesses, those providing green jobs require capital to grow. Some of these social enterprises are too new to qualify for loans from traditional lenders; others could never achieve their intended social benefits while paying typical interest rates.

Meanwhile, many foundations would like to make loans – in addition to or instead of grants – to high-impact nonprofit organizations and businesses. This practice of making loans (often referred to as program related investing, or PRI) offers a strategic opportunity for private foundations to meet philanthropic goals, even with fewer assets due to significantly decreased endowments. And these loans, which are usually provided to borrowers at below-market interest rates, can represent a much-needed source of capital.


However, foundation staff often discover that making loans – a process which involves identifying and evaluating eligible projects, drafting loan terms, administering loans, and providing technical assistance to borrowers – requires staff expertise and back-end systems quite different than those required for making and evaluating grants.



A Solar Richmond graduate installs panels on a neighborhood house

Several foundations have approached RSF in recent years to see how our 25 years of experience as a social enterprise lender might help them solve this problem. In response, we are proud to announce the launch of the RSF PRI Funds. This latest innovation in the field of social finance closes critical gaps both for foundations seeking to make PRI loans, and for high-impact projects unable to qualify for traditional capital.

In order to ensure alignment with various foundations' missions, the PRI Funds are organized by issue area and geography. Foundations can choose to focus on green jobs, local food systems based on sustainable agriculture, and/or holistic approaches to education. We are piloting the funds in four geographic regions: California, the Pacific Northwest, the Upper Midwest and the Northeast. We intend to cover the nation region-by-region as the program matures.

To learn more about how the RSF PRI Funds might help your foundation meet its goals, please visit [www.rsfsocialfinance.org/pri](http://www.rsfsocialfinance.org/pri) or contact me at 415.561.6181 or [elizabeth.u@rsfsocialfinance.org](mailto:elizabeth.u@rsfsocialfinance.org). A recent post on our Reimagine Money Blog also includes links to several helpful resources: <http://rsfsocialfinance.org/pri-resources>. 

## NOTE FOR PROJECTS SEEKING CAPITAL:

Details will be posted in the Lending section of our website once we have begun accepting loan applications for this program.



 GUEST ESSAY

# Lighting the Way

By Michele McGeoy

Most communities of faith are called to help alleviate the suffering of people in poverty. So, creating pathways out of poverty and into prosperity through caring for this gorgeous planet makes good sense. It makes especially good sense to the members of St. Paul's Episcopal Church in Walnut Creek, California. This year five graduates from Solar Richmond helped install a solar energy system at St. Paul's. The church did not have to come up with a penny. Members of the congregation created an LLC in order to finance the installation by Solar Richmond, a solar installation training program for low-income residents. These local people now get a good return on their investment, help their church save on electricity costs, decrease CO<sub>2</sub> emissions, and give graduates from the community an opportunity to strengthen their skills and build their resumes. That's a quadruple bottom-line that any socially responsible investor would love!

Even though I have been training solar installers and marketing solar energy solutions for four years, I continue to learn about the effectiveness of this solution. Creating green collar jobs is not just about bringing the economic benefits of the new green economy to people in need; it is also about creating a sense of pride in being a part of the solution.


The solar system at St. Paul's was designed so that the panels on the roof would be highly visible from the street. This now sends a message to passers-by that this community of faith is active in caring for the planet. In effect, the solar panels flash a message saying, "Take care of this creation." In making the decision to work with Solar Richmond graduates on its installation, Reverend Sylvia Vasquez of St. Paul's said, "We are committed to being good stewards of the earth, and that is not just about caring for nature but also about caring for our neighbors who struggle with the realities of a challenging urban life."

So often the jobs that provide a decent living for those without much formal education are those that need simply to be done. They don't elicit much respect from society. Take garbage collection, for instance: while we can upgrade the title to Sanitation Engineer, most of us

don't hold this work in high regard. At best, we appreciate that someone is willing to do it. Well-paid, meaningful work has often been considered a luxury. Green collar work provides the opportunity to change that.

After selling my software company years ago, I started a nonprofit organization training those unskilled in technological work in order to address the digital divide. However, the painful reality was that the computer industry did not need these students. They were given work out of charity and, when the wealth in that industry declined, so did the charity. The ecological divide—the division of those who have access to and engagement in the green sector and those who do not—is just as prevalent as the digital divide. The difference is that, in order to turn this ship around, we need all hands on deck. Not just the brightest, the most well-educated, and the strongest—we need everyone. We all have a stake in the problem and a place in the solution.

In the words of Rilke, "If we surrendered to earth's intelligence, we could rise up rooted, like trees."

We are beginning to surrender. At last, the debate over global warming has grown into consensus. We are now searching for solutions. The earth's intelligence tells us that all things contribute to a mysterious balance. We need to learn to work in concert and to honor our differences and our gifts. By cleaning up the planet together, we will all be able to "rise up rooted, like trees." 

**MICHELE MCGEOY** is founder and executive director of Solar Richmond. She is a longtime entrepreneur whose Tailored Solution database software was used in many leading law schools around the country. The founder of a nonprofit to address the digital divide, she also sat on the boards of United for a Fair Economy and Responsible Wealth. She founded Solar Richmond in 2006 to bring the economic advantages of the emerging green economy to her often disenfranchised Bay Area community. [www.solarrichmond.org](http://www.solarrichmond.org)

## CASE STUDY

## People's Grocery

By Bette Mc Donnell, Editorial &amp; Events Manager



Shopping for organic produce at the mobile market

**“Chocolate avocado pudding saved my life!”** While this may be an overstatement, the underlying message from a young participant in People’s Grocery’s free cooking class is clear: learning about the nutritional value of fruits and vegetables and having ready access to them is life-changing.

“Farm work has long borne a stigma for African Americans,” explains Brahm Ahmadi, executive director of People’s Grocery. “The history of slavery on farms and plantations for a long period in U.S. history causes many to find the idea of doing farm work unacceptable,” he says. Ahmadi explains that, until recently, most African Americans have viewed agricultural work as poorly paid and degrading. It seems People’s Grocery can be credited with changing that perception in its community of West Oakland, California. Since its inception in 2003, the nonprofit has dramatically altered residents’ diets by making healthy food accessible and by teaching residents gardening skills. Now many of the area’s African Americans (who represent about 40% of the population) take a hand in growing what ends up on their own dinner table. Before People’s Grocery began growth and distribution of fresh produce, this urban area of 24,000 residents was served only by 50 liquor/convenience stores, 15 fast food restaurants and no grocery stores. No grocery stores.

According to the organization, this is because of grocery store redlining, which is the preferential placement of grocery stores in wealthy neighborhoods, where potential profits are greatest. Due to this selective practice, West Oakland residents must choose between distant and high-priced grocery stores and local liquor/convenience stores for their food needs. A study conducted in 2000 found that food prices at these stores ranged between 30%–100% higher than average prices in supermarkets.

Not surprisingly, fresh fruit and vegetables were rarely seen on dinner tables and school lunch trays in the neighborhood and, like many people nationwide, few residents had ever experienced growing seeds or harvesting their own produce. Fewer still knew the meaning of “food justice.” What the West Oakland residents did know was that they experienced malnutrition, high blood pressure, bone density loss, fatigue, dental decay, and poor scholastic performance. Co-founders, Malaika Edwards (now serving on the Board of People’s Grocery) and Brahm Ahmadi saw the lack of access to fresh food for children and adults as a crisis, and thus began their drive for food justice: access to healthy food for all, regardless of income. “The food system is failing to provide low-income people with the healthy foods they need to thrive. It’s also failing to create good jobs and support local food businesses in urban communities,” says Ahmadi. People’s Grocery works toward creating a food system that centralizes the needs of the urban poor. It is now putting control of food production into the hands of the people who are eating it, creating local jobs and small food production businesses that contribute to the health of the community. Through a comprehensive array of programs—urban gardens, a farm, and skills training—People’s Grocery addresses the need for healthy food and good jobs in a single stroke. “I was dissuaded from doing farm work growing up because of the stigma, but I’m glad I returned to my dream and graduated from the farming program

&gt; Continued on back cover



CLIENTS IN CONVERSATION

# Amy Dickie and Jim Griffiths

...with Ted Levinson, Senior Lending Manager

## WHAT DOES THE TERM 'GREEN JOBS' MEAN TO EACH OF YOU?

**Jim:** I think green jobs are jobs related to endeavors that preserve and sustain our natural resources and the quality of our environment.

**Amy:** We should all have green jobs! I like that green jobs, especially green collar jobs, make it possible for those so inclined to do work that's in line with their values. With the emergence of clean technology and the speed at which our infrastructure is changing, it's not just the intellectual class that will have the opportunity to marry their values with their jobs. This is important.

## PLEASE TALK A LITTLE ABOUT YOUR VALUES AND HOW THEY ALIGN WITH RSF

**Jim:** I think Enssolutions Corporation and RSF share common values, one of which is good relationships. RSF offers a long-term relationship that you just can't count on with a traditional financing institution.

**Amy:** It's a different feeling to know that we're all working towards building a new economy. It's important to me to have my money in an organization like RSF. Every time I open the newsletter I read about great businesses and nonprofits that are RSF borrowers like Numi Tea, World of Good, The Booksmith, and SPUD.

## ENSSOLUTIONS IS VERY DIFFERENT THAN THOSE YOU NAMED. MINING AND CONSTRUCTION DON'T HAVE THE SAME APPEAL AS ORGANIC TEA COMPANIES OR INDEPENDENT BOOK STORES (TO PUT IT MILDLY).

**Amy:** No, but it's clear that Enssolutions provides green jobs. I think mitigating the damage caused by mining and construction industries with organic and sustainable products and practices is laudable, smart and holistic even if it's not what is commonly seen as green work such as the creation of clean technology.

**Jim:** That we are helping to mitigate the damage done by these industries is what is so meaningful about our business and products. Our main product, tall oil pitch (TOP), has applications for dust control, surface treatment for industrial roads, mine tailing fields and parking lots. It's 100% organic and greatly reduces the need for water during mining and construction work and, perhaps more importantly, those using TOP don't have health problems as a result of proximity to it.

Another source of pride for my colleagues and me relates to developments in Northern Canada. We're establishing distributor relationships with Aboriginal tribes there that will provide them training and good jobs building and maintaining roads. They'll use socially responsible and sustainable products in ecologically fragile environments.



Tailing applicators spreading organic tall oil pitch

### WHAT HAS RSF'S LOAN ENABLED ENSSOLUTIONS TO DO?

**Jim:** Without people like you, Amy, we wouldn't be in business in the U.S. Investors that want to support good sustainable business are cause for gratitude. We need that financing to buy our inventory. Our suppliers require payment in 30–45 days but our customers usually take 60 days to pay us which is the norm in mining and construction. This financing makes all the difference in the world.

**Amy:** Enssolutions is really changing many peoples' relationship to their work. The satisfaction we all have from that is meaningful.

### HOW DO YOU VIEW THE RELATIONSHIP BETWEEN ECONOMIC DEVELOPMENT AND ECOLOGICAL STEWARDSHIP?

**Amy:** I think that rebuilding our infrastructure through using green methods and materials is powerful. I also think there must be great psychic power as a result of doing a job that benefits the earth, one that creates a positive effect on the environment. I imagine Enssolutions's workers feel good about what they're doing and by using these clean products. Understanding that they're contributing in this way, and on a daily basis, they can appreciate that their work no longer has the same negative impact on the environment as previously.

**Jim:** Yes, I think that's true. I believe economic development and ecological stewardship are inextricably linked. There are short-term economic gains that can be captured at the expense of ecological stewardship, but I strongly believe that without ecological stewardship, in the long run, our quality of life will decline.

### WHAT ABOUT THE RELATIONSHIP BETWEEN MONEY AND SPIRIT?

**Jim:** Our spirit is what drives us and links us to our communities and our environment. It gives us our sense of values and directs our goals. Money is a critical tool to

When I look at my quarterly investor statement, those numbers feel different to me because of what they represent.

serve our values and direct our goals. Spirit is the driver, but money is the way to get there. What I find heartening is that five years ago our customers didn't care about ecological issues and now they do. The caring began, I think, when the EPA started tightening the regulation of airborne particulate matter. Enforcing EPA regulations and related fines made polluters more aware of the environment. That, coupled with becoming informed about toxic gasses and carbon footprints, helped create an awareness that's made people more careful about their choices.

**Amy:** I agree that money is a tool. That tool takes on a different quality when it takes on people's compassionate intentions and goals. When I look at my quarterly investor statement, those numbers feel different to me because of what they represent. They represent those compassionate intentions which hinge on relationships. When I think about what makes my life rich, it's relationships – with family and with friends. Bringing relationship back into financial transactions changed, in turn, my relationship with money. Reflecting on this past year and our collective relationship with money... I think we turned to financial resources out of fear because we feel isolated. We build up financial resources out of fear. It's a poor proxy for the security that we used to get from our connection with others. RSF is trying to transform how we work with money so that it becomes a catalyst for relationships. ♻️

**AMY DICKIE** is an associate at California Environmental Associates and has been an RSF investor since 2003. [www.ceacconsulting.com](http://www.ceacconsulting.com)

**JIM GRIFFITHS** is Chief Financial Officer of Enssolutions Corporation, an RSF borrower. [www.entacemulsions.com](http://www.entacemulsions.com)

> "People's Grocery" continued from page 5



People's Grocery staff interns happily harvesting kale

at UCSC. Helping others learn how to grow food is very satisfying," says Brent Walker, farm manager.

Recognizing that green jobs are essential to ecological stewardship, RSF has continued its support (which began in 2001) of the organization by awarding a 2009 Seed Fund grant ([www.rsfsocialfinance.org/seedfund](http://www.rsfsocialfinance.org/seedfund)) to People's Grocery's newest initiative, the Growing Justice Training Institute. The Institute offers intensive vocational training in sustainable agriculture, distribution, manufacturing, and retail sale, as well as life skills training. The ultimate goal of the Institute is to place students in well paying jobs in supply and manufacturing with local social enterprises: organizations and companies whose social mission and values are embedded in their operations, e.g. fair trade and sustainability practices, good health benefits, and opportunities for career advancement.

Ahmadi looks forward to staffing People's Grocery new retail store with 60 worker-owners who will be the Institute's first graduates in 2010. With its seasoned staff and the wealth of energy among neighborhood participants, People's Grocery is emerging as a leader in community renaissance through green jobs and place-based enterprise. While acknowledging that the organization has come a long way, Ahmadi continues to dream—and implement—big. Next up: the creation of a value-added processing facility to support and train local entrepreneurs. ↻

## Join Us at These Events

### **Slow Money Inaugural National Gathering (sponsor)**

9/10/09 – 9/11/09  
Santa Fe, New Mexico  
[www.slowmoneyalliance.org](http://www.slowmoneyalliance.org)

### **Take Action Symposium**

10/5/09 – 10/7/09  
Redwood City, California  
[www.takeactionforimpact.com](http://www.takeactionforimpact.com)

### ↻ **Bioneers (sponsor)**

10/16/09 – 10/18/09  
San Rafael, California  
[www.bioneers.org](http://www.bioneers.org)

### ↻ **Economics of Peace (co-convener)**

10/18/09 – 10/23/09  
Sonoma, California  
[www.rsfsocialfinance.org/econofpeace](http://www.rsfsocialfinance.org/econofpeace)

### ↻ **Social Venture Network Conference (sponsor)**

10/22/09 – 10/25/09  
La Jolla, California  
[www.svn.org](http://www.svn.org)

### ↻ **SRI in the Rockies**

10/25/09 – 10/28/09  
Tucson, Arizona  
[www.sriintherockies.com](http://www.sriintherockies.com)

↻ *Indicates that this event includes an RSF speaker.*