

INVESTING IN OUR COMMUNITY

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INVESTING 101

PRINCIPLE – The ASSET being invested (e.g. Money, Time, Skill, Emotional Energy)

LIQUIDITY – How long until you get your PRINCIPLE back. Also referred to as TERM

RISK – The factors which might cause loss of all or part of the PRINCIPLE.

Consider ways to Mitigate the RISK

Diversification

Collateral

Insurance

RETURN – What you get as a result of your INVESTMENT

MONETARY RETURN – Also called YIELD (often expressed as a percentage of the PRINCIPLE)

Interest on a DEBT asset (e.g. Savings Account; CD; Bond; Personal Loan)

Appreciation of an EQUITY asset (e.g. Stocks, Mutual Funds, Real Estate, Collectables, etc.)

INVESTING 301

RETURN – What you get as a result of your **INVESTMENT**

MONETARY RETURN – Also called **YIELD** (often expressed as a percentage of the **PRINCIPLE**)

Interest on a **DEBT** asset (e.g. Savings Account; CD; Bond; Personal Loan)

Appreciation of an **EQUITY** asset (e.g. Stocks, Mutual Funds, Real Estate, Collectables, etc.)

SOCIAL IMPACT – Achievements of the non-profits, local businesses or
interest groups (e.g. Whidbey Climate Action!)
to which you've contributed

PERSONAL EMOTIONAL SATISFACTION – Any investment that makes you
FEEL GOOD (or, at least a little better)

DECIDING **WHICH** INVESTMENT

There are so many ways you can invest your
Money, Time, Expertise, Emotional Energy

What are your GOALS?

- Safety
- Financial Return
- Social Impact
- Personal Satisfaction

How do you weight each of these goals for a particular investment?

These are **personal** decisions.

IF YOU HAVE MONEY THAT YOU WOULD LIKE TO PUT TO WORK PRIMARILY FOR

SOCIAL BENEFIT and/or

PERSONAL SATISFACTION,

CONSIDER:

WHIDBEY COMMUNITY FOUNDATION

www.whidbeyfoundation.org

DONOR ADVISED FUND – Fully tax-deductible in year started.

Endowed – Intended to last “forever.” You make grant 4-6% of balance each year

Non-Endowed – You may make grant(s) of any size at anytime

FIELD OF INTEREST FUNDS – e.g. Whidbey Climate Fund, Affordable Housing Fund, etc.

IMPACT INVESTING FUND – “Socially **impactful** and financially **prudent**”

Loans to Non-Profits

Loans to For-Profit Local Businesses -- through Realize Impact

FOUNDATION FUND – Supports the mission of WCF including Annual Grant Cycle

WHIDBEY ISLAND LOCAL LENDING (WILL)

PEER-TO-PEER LENDING – Assumes a pre-existing relationship between borrower and lender

PUBLIC MEETINGS – Potential Borrowers introduce themselves and their business ideas and financial needs

NEGOTIATIONS – Interested Lenders meet privately with Borrower

Borrower presents Business Plan and supporting financial documents
Amount and terms of loan(s) are established
Promissory Note signed and loan is made

Lender is solely responsible for vetting the loan and assumes all the **RISK**

WHIDBEY ISLAND LOCAL LENDING (WILL)

Started in 2014

Informal Statistics

Over \$2.4 Million in loans

30+ businesses

>100 jobs created or saved

About 90% of all loans have been paid in full

Real Estate
Uniforms for carpet cleaner
Start a Magazine
Bagel oven
Latin Bistro
Physical Therapy practice
medical practice
Tap room
Printing/office supplies
Art boutique
Catering/cooking school
Arborist
Hip café
Geodomes
Print art studio
Glass art studio/residence
Hydroponic lettuce
Oven-proof pottery
Bakery
Solar electrical generation
Marijuana dispensory
Bike tours
Pickles

LET'S CONTINUE THE CONVERSATION...