



## United Church of Christ Church Building Loan Fund

### Impact Investing Journey Overview

United Church of Christ Church Building & Loan Fund (CB&LF) assists churches and organizations within and beyond UCC by helping them to [plan](#), [raise](#), [finance](#), and [build](#) transformative projects that advance the mission of the Church. CB&LF was founded in 1853 and has financed over 4,000 projects in 24 states. These projects support churches to leverage their largest asset—their real estate—in sustainable and innovative ways to benefit their communities.

#### AT A GLANCE

**Denomination:** United Church of Christ

**Location:** Cleveland, Ohio

**Year of First Impact Investment:** 2017

**Impact Sector Focus:**

- Environment
- Community Development
- Affordable Housing

**Geographic Focus:** US, Europe, Asia

**Impact Investing Lead:** Rev. Dr. Patrick G. Duggan, Executive Director

**Website:** <https://cblfund.org>

As a complement to their mission to support churches and nonprofits, CB&LF further leverages their assets through impact investing. Since 2013, they have regularly invested a percentage of their assets in the environment, community development, affordable housing, and other sectors that advance their mission. CB&LF recognizes that their core program—providing churches with lending capital, training and consulting services—has a profound impact on congregations and communities, and with their community investing portfolio, CB&LF delivers additional social and economic impact.

*"While every religion is different, at a certain level there are unifying values that connect to how you manage your assets. That's the key. I find that to be quite empowering."*

- Rev. Dr. Patrick Duggan, Executive Director

### Key Steps Taken and Barriers Overcome Along the Impact Investing Journey

CB&LF is committed to aligning their asset management strategy with mission. Working with an outside advisor, CB&LF developed an impact-oriented investment policy in 2013, after extensive research, learning, internal debate and discussions with key stakeholders. The organization based their policy on case law that found fiduciary responsibility extends beyond safeguarding assets to investing assets in a manner that advances mission. They reviewed and summarized the investment policies of 50 different organizations to inform CB&LF's own policy. Today, these policies allow CB&LF to pursue a range of impact investments along the return spectrum, from "impact first" investments that offer concessionary returns, to those that are "financial first," prioritizing market rate returns. "Return on mission" is always a higher priority than "return on investment," notes CB&LF Executive Director Rev. Dr. Duggan.

CB&LF seeks out opportunities that allow its money to advance real impact across asset classes. They made their first impact investment in Calvert Impact Capital in 2017 (private debt): they were among the first investors in the United Church Fund's fossil fuel-free fund (private equity). They also invested in Justine Peterson, a CDFI and the largest SBA microlender, and with Social Finance, as the only church investor to date in a social impact bond to help formerly incarcerated individuals. Impact investing complements their core church financing programs. For example, in 2019, CB&LF provided financing to the [Genesis Worship Center](#), a non-denominational church in Oakland, CA, to convert an existing church building into critically-needed affordable housing.

CB&LF has a unique structure whereby the executive director also serves as the investment manager and is empowered to propose potential opportunities to the investment committee. Dr. Duggan has filled this dual role since 2012 and shared that while he didn't begin this journey as a "finance person," he has learned over the years to invest for impact by forging strong partnerships with other impact investors, borrowers, and organizations like United Church Funds and Calvert Impact Capital.

This interview is part of a series of Faith Investor Profiles highlighting how institutions across denominations are investing for impact. The Profiles are for informational purposes only, and should not be construed as any financial advice nor a recommendation of any investment strategy or product. All investing carries risk, past performance is no guarantee of future results. More at: [www.calvertimpactcapital.org/faith](http://www.calvertimpactcapital.org/faith)

## Successes and New Frontiers

Eight years into their impact investing commitment, over 25% of the CB&LF portfolio is in “true impact investments.” They hope they can achieve 100% impact across their entire portfolio in the next five years.

After 168 years of measuring outputs, CB&LF is successfully shifting to measuring shorter-term outcomes and longer-term impact of both their church programs and impact investments. They are partnering with data scientists at the [Sorenson Impact Center](#) to develop a robust impact measurement and management (IMM) practice, linking impact to the [UN Sustainable Development Goals](#) (SDGs).

This new approach to IMM reflects a shift in internal culture around how the organization understands the transformative role it can play through both program and investment. As a result, CB&LF recently published their first impact report.



CB&LF invested in the Village at West Jefferson, a commercial/retail development of church property built by St. Peter's UCC/ MOLO Village CDC in Louisville, KY. The project created over 100 new jobs in a predominantly African American community.

## Suggestions for Fellow Faith Investors

Dr. Duggan believes investing for impact is essential for all nonprofits, especially faith organizations. Recognizing it may be new to some people and that even experienced investors have much to learn about investing with mission as a priority, he suggests building partnerships with others who are already practicing impact investing. Borrow from their policies and practices to develop your own. Use these partnerships, resources, and knowledge to communicate with your board and other key stakeholders. Make decisions from a place of abundance, rather than scarcity.

Dr. Duggan observes that while many faith institutions would consider themselves to be “socially responsible investors,” most are not engaging in impact investing because they aren’t aware of the many resources, including metrics, ratings, and other information available now that make it easier to evaluate and compare impact investments. He sees traditional responsible investing, where investors avoid “sin stocks” (tobacco, firearms, alcohol, gambling) and engage in shareholder advocacy (where investors leverage their positions as owners to push for environmental, social and governance changes) as “the ground floor” for faith investors. Beyond that, he sees impact investing as the “sky,” offering expanded opportunities to intentionally, measurably, and proactively do good with your investments.

More Faith Investor Profiles and Resources at:

[calvertimpactcapital.org/faith](http://calvertimpactcapital.org/faith)

*Photo courtesy of UCC Church Building & Loan Fund*

