

## CommonSpirit Health

### Impact Investing Journey Overview

CommonSpirit Health is a nonprofit Catholic health system and was founded in 2019 through the alignment of two organizations—Dignity Health (formerly known as Catholic Healthcare West) and Catholic Health Initiatives (CHI)—into one ministry with 139 health facilities in 21 states. The new organization is built on the legacy of 17 congregations of women religious, including the Sisters of Mercy, who founded health ministries to serve people most in need.

For over 30 years, community investing has been integral to CommonSpirit’s community health strategy, as they have valued holistic care and the social determinants of health, like access to affordable housing and food security, long before these terms were popularized. Impact investing furthers their mission to “make the healing presence of God known” by improving the health of people they serve, while advancing justice for all.

#### AT A GLANCE

**Denomination:** Catholic

**Location:** 21 US States

**Year of First Impact Investment:** 1990

**Impact Sector Focus:**

- Affordable Housing & Health Care
- Access to Jobs, Education & Healthy Food
- Safeguarding the Environment

**Geographic Impact Focus:** 21 US States

**Impact Investing Lead:** Pablo Bravo, System VP, Community Health and Edward Salvador, Community Investment Program Manager

**Website:** [www.commonspirit.org/a-healthier-future/building-healthier-communities](http://www.commonspirit.org/a-healthier-future/building-healthier-communities)

Today, CommonSpirit’s Community Health team manages a \$169 million+ Community Investment Program that invests in the needs of vulnerable populations near their health facilities, providing critical infrastructure that supports the long-term health and resilience of these communities. Their portfolio includes significant investment in affordable housing from lower-income rental to home ownership, including pre-development financing that is challenging for developers to secure; healthy food access (especially in urban “food deserts”); affordable healthcare; responsible financial services through and alongside community development financial institutions (CDFIs); and also strategic international impact investments.

***“Get into the impact investing space...and if you can’t build the infrastructure, find a partner to help you get started.”***

**- Pablo Bravo, System Vice President, Community Health**

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

CommonSpirit’s holistic approach to impact investing has always been integrated into their larger strategy. Says Pablo Bravo, System Vice President, Community Health, “It is a part of the DNA of the organization.” Nonetheless, they needed to gain the trust of the board and leadership so they could scale their impact investing portfolio and make important investments that may have seemed “risky” at first. Gaining trust required running the impact investing operation with excellence and making this portfolio financially viable.

They also had many conversations with leadership to develop a shared vision for how they would invest for the greatest impact, while acknowledging the opportunities and challenges of their strategy. Initially, a relatively small community investment was debated more than the organization’s significantly larger market-rate portfolio. As their knowledge and capabilities have increased, so has the size of their investments, and today CommonSpirit’s portfolio includes several multi-million-dollar impact investments.

### Successes and New Frontiers

Recently, the team successfully combined the impact investing operations of Dignity Health and CHI into the one Community Investment Program. This meant bringing together portfolios, as well as back-office functions.

CommonSpirit continues to make high-impact investments with a very small team while maintaining excellent portfolio quality. The program has weathered economic crises, including the 2008-09 financial crisis, with a loss rate of under 1% throughout. They are now adept at sourcing deals, in addition to participating alongside other lead impact investors.

In the years ahead, the CommonSpirit team plans to grow their capacity by bolstering their portfolio monitoring and reporting functions. Developing this infrastructure is a unique challenge within a massive healthcare network, but is essential for future growth of the impact investing program. Given their long-term commitment to specific communities, CommonSpirit can see that their capital has helped make these communities resilient, addressing both urgent and systemic needs not adequately addressed by the public sector. Investing in communities allows CommonSpirit to have an impact beyond what grant capital can offer.

Says Pablo, “You can’t build a facility with a \$400,000 grant, but a \$400,000 loan can leverage significant amounts of additional capital.” As they are often a first or lead investor, CommonSpirit seeks to be a “beacon” for others considering impact investing, shining a light on needs and opportunities in the community.

### Suggestions for Fellow Faith Investors

“The investment committee is key,” says Edward Salvador, CommonSpirit’s Community Investment Program manager. CommonSpirit has developed a strong committee that is extremely engaged, knowledgeable, and can help keep staff on mission when necessary. A committee can be especially vital to support a smaller investment staff.

Pablo urged fellow faith investors to get started, even if they can’t build their own impact investing operations, by working with a partner—like an established community development financial institution (CDFI) or impact investing partner, national or local. “There are such great needs that go unaddressed in the communities where we live and work. We need to start, and then take it to greater levels to help these vulnerable populations... Everybody needs to play in this field.”



CommonSpirit provided a \$500,000 loan to [California FarmLink](#) to invest in the prosperity of small-scale farmers in CA.

More Faith Investor Profiles and Resources at:

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