

A BLUEPRINT FOR FAITH-BASED ORGANIZATIONS IN MILWAUKEE ON USING FINANCE AS A TOOL FOR SOCIAL CHANGE

Preview and Executive Summary

The focus of the Blueprint is to show how individuals motivated by their faith and working within churches and other faith-based organizations can use finance as a tool to further their mission to effect social change toward greater justice and sufficiency for all. They can do this by disrupting or influencing current systems of finance, forging new alliances or partnerships with individuals and organizations that are already using finance for social change, or by crafting new models that fundamentally shift how power operates in the economic and financial relationships within a community.

The Blueprint recognizes that shaping financial systems is not on the agenda of many faith-based organizations. It does not assume that the reader is an expert in finance or investment, but rather that the reader is a social change maker who is motivated by their faith, an active participant in the church or related organizations, and has experience engaging, challenging, and shifting systems of power. Such experience can be applied to financial systems.

The Blueprint functions as a model to provide guidance. Blueprint is a metaphor for the technical process of developing a detailed plan or a program of action. The focus is on plans, rather than on case studies. The field of faith-based investing is still learning how to do this work, and so the Blueprint is meant to be a sketch that allows the imagination of particular leaders in a specific context to transform design into reality.

The Blueprint has been developed by Criterion Institute, the leading think tank focused on using finance to effect social change, through a generous grant from the Siebert Lutheran Foundation of Milwaukee, Wisconsin.

BUILDING MATERIALS: *Assets*

This Blueprint begins with identifying the building materials available. They are the inputs, the assets, resources, or skill sets that churches and faith-based organizations have that can translate to influence in systems of investment and finance. The building materials addressed include:

- 1. The Ability to Influence Capital and Mobilize Resources:** Churches and faith-based organizations own vast amounts of property and control significant capital resources. Even without engaging capital assets of their own, they can effectively influence how others use their philanthropic and investment resources to support social change.
- 2. Leadership and Voice:** Churches and other faith-based organizations elevate the collective voices of their members and those within their circle of care to levels where people in positions of power must pay attention, including financial institutions and their

leaders.

3. **Networks and Trusted Relationships:** Church bodies are comprised of interconnected parts at the local, regional, national, and international levels, each bringing distinct assets. Churches are also connected to one another in ecumenical organizations and agreements. Churches and other faith-based organizations regularly engage in trusted relationships with community organizations, government agencies, the media, philanthropists, NGO's, and businesses. They hold and know how to build powerful relationships based on trust. Those skills are essential to facilitate similar relationships in systems of finance.
4. **Data and Knowledge:** Local churches and faith-based organizations have direct knowledge of the populations they serve and the root causes of the issues affecting those constituents. This ground-level data is augmented by research conducted at the denominational level, by faith-based think-tanks, and faith-based healthcare and social service systems. Finance needs this knowledge to be able to effectively integrate social concerns into an analysis of investments.
5. **Organizational Structures and Processes:** A growing number of churches and faith-based organizations have designed their internal operations and external collaborations in ways that take power dynamics into consideration, ensuring the inclusion, engagement and valuing of diverse constituents. Such practices can be built into processes used in systems of finance.
6. **Existing Program and Social Change Strategies:** Churches and other faith-based organizations bring a depth of experience in creating, leading and adapting transformative social change strategies, engaging with powerful systems such as governments or the media. This experience can be used to inform the design of strategies to engage capital markets toward systems change.

These building materials give faith-based organizations the influence or power to affect social change. The design challenge is to employ them effectively within short and long-term strategies.

FLOOR PLANS: Strategy

Given the pressing challenges we face in our communities and around the globe, it is imperative that we deploy these powerful assets bring about social change that aligns with God's vision. Engaging systems of finance is one way to do that, along with others including advocacy, media, policy, community organizing, and corporate engagement.

In this Blueprint, we detail five strategies for engaging systems of finance developed over almost twenty years of empowering social change actors to work in this space. These strategies are presented as broadly applicable templates that would then need to be adapted and applied in context.

1. Channel resources to enterprises and investment opportunities that contribute to social change
2. Introduce new data or eliminate bias in how the value of investments is determined

3. Shift who holds power by changing the structure and terms of an investment
4. Expand who is trusted and who has authority in the process of investing
5. Shape how investors define and measure success in their investments

This section lays out how these strategies can be implemented, making use of particular assets that faith-based organizations contribute as outlined in the previous section.

BUILDINGS: Developing a Comprehensive Approach

How do these strategies fit together and complement each other in a more comprehensive social change strategy? The intent in this section is to lay out a multipronged approach that links strategies to engage a complex social issue through the powerful system of finance. The Blueprint explores a comprehensive approach across four specific examples drawn from the Milwaukee context:

- [Creating economic justice and resilience](#)
- [Designing infrastructure to reduce poverty](#)
- [Advocating for solutions to mass incarceration and systemic racism](#)
- [Creating a just care economy that provides just access to all](#)

In each of these examples, there are already some efforts in play in Milwaukee. This Blueprint projects theoretical or aspirational approaches rather than seeking to describe current activities being undertaken by specific organizations.

DOORS: Getting Started

Engaging systems of finance is not a silver bullet. It requires collaboration between a collection of leaders and organizations across sectors who can sustain efforts in the long term. They must be able to engage with systems of power and adjust their strategies as needed. Whatever the long-term picture, it needs a starting place.

When we talk about engaging finance with those who are not already part of that world, some faith-based organizations have voiced reasonable objections to participating. One of the intentions of the Blueprint is to acknowledge these observations as valid and offer some ways to resolve them. These questions include but are not limited to the following:

- How does engaging with financial systems sit with faith-based organizations' other priorities? There is already so much to be done with limited resources. Does this strategy defuse existing efforts, cannibalize resources, and create mission creep?
- Faith-based organizations' commitment to addressing deep social change requires philanthropy. Don't market-based or for-profit solutions only skirt the surface or sometimes even contribute to the problem?

- How do we align our internal and external stakeholders—many of whom do not have a finance background and may not appreciate the approach—around strategies that engage systems of finance?
- Leaders in faith-based organizations may not feel equipped to manoeuvre the finance world. They may be adept at navigating governments and media and know how to protect themselves against being manipulated. How can faith-based organizations navigate the field of finance, which can feel like a minefield of risks?

Resolving most of the questions and concerns outlined above requires a first step: a leap of faith that engaging finance as a tool for social change will contribute to the social change sought. Without that leap, the space between concerns and resolutions can seem just too far. Those within systems of finance will need the same kind of resolve for collaboration to be most effective. For too long, faith-based organizations and other social change organizations have been left out of financial decision making, allowing global financial systems to evolve without a sufficient weighting toward the social consequences it creates.

Bolstered with a faith in possibilities and a recognition of the power dynamics at work, this section outlines a variety of places to start and test these questions. Once opened, these doors can widen the community of people with which faith-based organizations can collaborate for change.

NEIGHBORHOOD: Field of Faith-based Investing

This work sits in the context of the growing field of faith-based investing. Efforts to create more just and sustainable systems often fail to take into account the power structures that obstruct social change. The voices of those most affected, directly or indirectly, by financial policies or investment decisions are seldom heard at the tables where those deliberations take place. Investments tend to happen to, rather than with, a community due in part to the inaccessibility of financial language and structures.

As a result, most of the current investment products and strategies do not take into account the intersectionality of lived experience. They fail to incorporate into their analysis patterns of gender, race, ethnicity, ability, class, local context, and other important factors. They lack the capacity or imagination to integrate the knowledge and expertise of diverse stakeholders, including faith-based organizations, into their decision-making processes. This leads to blind spots and unintended consequences, which present both financial and social risks and, ultimately, sub-par outcomes for investors.

To make the experience of the lives of ordinary people count in finance, social change organizations need to be active partners in conversations about impact investing, gender lens investing, innovative finance, investing to advance racial equity, and other context-specific considerations. This is how churches and other faith-based organization can influence these emerging fields and drive financial decisions that work for all.

Faith-based organizations can also lead the change. Rather than finding a seat at an existing table, they can create seats at a new table and extend invitations to finance professionals to work together to design and implement financial and economic models that are driven by faith-based communities. By

encouraging a broader set of actors to the table, we seek to further push the boundaries of using finance for social change. Faith-based organizations will be able to see the dynamics among the people they serve and how power plays into these dynamics and propose new solutions to issues that arise.

We see three broad opportunities for faith-based organizations to engage within the world of finance for social change:

1. Using their knowledge and expertise to influence traditional capital markets or mainstream financial actors
2. Collaborating with investors who share social change objectives, helping to shape how they are approaching social change and how the emerging fields of impact investing, innovative finance, gender lens investing, racial equity investing, and other movements to use finance for social change are being built
3. Imagining and implementing new financial and economic models that address local needs and rely on the assets and agency of community members

The path will be different for each organization and some may choose to experiment with each opportunity or to pursue a combination of opportunities. All choices are equally valuable.

We hope that this Blueprint provides guidance and inspiration as you outline your own strategy for using finance as a tool to create equitable social change in your community, whichever path you choose.

To learn more about Criterion Institute, go to www.criterioninstitute.org.

A BLUEPRINT FOR FAITH-BASED ORGANIZATION IN MILWAUKEE ON USING FINANCE AS A TOOL FOR SOCIAL CHANGE will soon be available to download from the Criterion Institute website. A working draft is currently available upon request from Phyllis Anderson at panderson@criterioninstitute.org.