

## LAWSON FOUNDATION

### Why did the Lawson Foundation start Impact Investing?

The impetus for the Lawson Foundation to become active in Impact Investing came initially from our members. They felt that in order to maximize the impact of the Foundation's philanthropy, we should look intentionally at how to better harness the Foundation's endowment assets for social and environmental good in addition to generating financial return.

Our interest in Impact Investing also stems from our convening work in the areas of diabetes and early child development, which demonstrated that there are other ways to support social change beyond traditional grant-making. At the Lawson Foundation, we now consider Impact Investing, convening and grant-making as three tools we can use to expand our reach.

### How do you do it?

We started by committing 3% of our endowment to impact investments back in 2011. We wanted to get out there and do it — with the intent of learning as we go.

We quickly realized that we had much learning to do. Our research included connecting with early adopters, including the Ottawa Community Foundation and the McConnell Foundation, to gain insight into different approaches to Impact Investing. The Centre for Impact Investing at MaRS agreed to advise the Foundation on its strategy to move forward. We also considered how Impact Investing could be helpful for our grantee organizations and what tools and capacities would be required. We stayed intentionally broad to look at a wide range of impact investment opportunities beyond our grant-making areas of interest.

In 2014, the Foundation made its first two impact investments, including an investment in an intermediary fund which provided a relatively straight forward way to dip our toes in the water while supporting a key player in the Impact Investing landscape.

We gave ourselves three years to achieve that goal of 3%. During that time, the Foundation limited its Impact Investing to seven offerings, creating a manageable portfolio and giving us time to gain experience working with various investment vehicles. In 2017, we are undertaking a review of our investments, their financial and social impact, and the current landscape with a view to increasing the portion of our endowment that is used for impact investments.

### What is your impact?

Our Impact Investing strategy is making an impact in two significant ways: through our investments and our participation in helping to build the field. We support a wide range of causes, from training immigrants through Immigrant Access Fund Canada, to supporting health and sustainability in the food and agriculture sector through our investment in InvestEco. We are actively engaged in exploring ways to address implementation issues, e.g., around due diligence, that could support some foundations' ability to participate in the market.

Innovation Works (IW) has been particularly interesting for us. Based in London, Ontario, where the Lawson Foundation was formerly headquartered, IW provides a collaborative, co-working space to support a variety of charities and social enterprises. We are a lead investor in the initiative's community bond, an interest-bearing loan that provides stable financial returns as well as social benefit. We also provided a grant to support IW's programming, to see what it would mean to blend our grant-making and investing. Within a year of our investment, Innovation Works was able to demonstrate strong interest and support from the community while helping to generate new social change businesses and unique collaborations.

For the Lawson Foundation, Impact Investing has become a key tool for us to achieve impact — but our strategy, available resources and the market for Impact Investing are all still in their infancy. As we look to the future, we plan to help grow the field and practice of Impact Investing in collaboration with other funders, grantees and partners who are committed to social change. It's a big shift for the Lawson Foundation and we're excited about the potential and opportunities that Impact Investing presents.

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In the words of Karen  
Shelstad, Program Director

"We started by committing 3% of our endowment to Impact Investing back in 2011."

