



INVEST APPALACHIA LAUNCHES FUND WITH \$19 MILLION FOR COMMUNITY-FIRST IMPACT INVESTING IN CENTRAL APPALACHIA

The \$19 Million in investor commitments represents the Invest Appalachia Fund's first close and is part of an innovative new initiative to accelerate community investment for equitable and resilient development across the region.

January 26, 2022: Invest Appalachia (IA), a regional social investment platform, has secured \$19 million of new investment in the first close of the Invest Appalachia Fund (IA Fund). The IA Fund will provide capital to community economic development projects including small businesses, real estate, housing, non-profit enterprises, and community infrastructure. This launch follows 6 years of collaborative stakeholder design and creates new community-controlled resources and permanent infrastructure for Central Appalachia. In an underinvested region with a history of economic exploitation, IA is connecting local communities to national investors through a cutting-edge impact investment model.

90% of the initial \$19M represents new capital from outside the region, and the IA Fund has a target of \$40M total by November 2023. The lead investors for the IA Fund are [UnitedHealth Group](#), the [Robert Wood Johnson Foundation](#), and the [Appalachian Regional Commission](#). Other first close investors include Sugarbush Valley Impact Investments, [Laughing Gull Foundation](#), and Cassiopeia Foundation. By leveraging this new investment alongside regional investment partners and IA's own catalytic philanthropic dollars, Invest Appalachia seeks to build a sustainable, equitable, and resilient economic future for communities across Central Appalachia that have borne the brunt of economic disparities for generations.

"We need an economy where everyone can see a place for themselves, and Invest Appalachia will help move the region in that direction. IA is rooted in place and designed to meet the needs of Appalachia's underserved communities. This deeply collaborative model puts impact and community interests first, while also providing a large-scale opportunity for national impact investors," said **Andrew Crosson, CEO of [Invest Appalachia](#)**. "IA's investment dollars are important, but I believe the focus on values, ecosystem capacity, and partnerships is the real key to creating a more equitable and resilient future for the region."

Invest Appalachia's model takes a bottom-up, systems-oriented approach to regional community development investment, serving the Appalachian counties of Kentucky, West Virginia, Virginia, Tennessee, North Carolina, and Ohio. **Zoila Jennings, Impact Investment Lead with the [Robert Wood Johnson Foundation \(RWJF\)](#)**, shared RWJF's perspective: "Invest Appalachia is pioneering regionally controlled creative capital solutions in Appalachia that support inclusive economic growth for the region and offer new opportunities for national investors. We see the Invest Appalachia Fund as an innovative model for foundations and other impact investors who want to get capital to the people and places that need it most."

A decorative background element at the bottom of the page, consisting of light gray, concentric, irregular lines that resemble topographic map contour lines or a fingerprint pattern, extending across the width of the page.



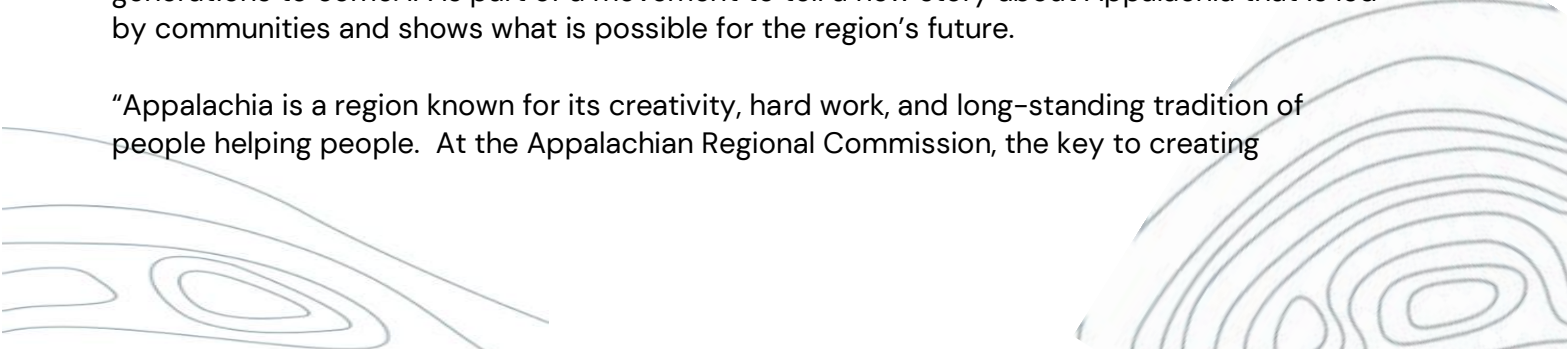
“Advancing health equity and addressing social needs like housing and access to healthcare in rural and underserved areas is an integral part of making the health care system better for everyone,” said **Andy McMahon, vice president, Community Engagement and Investment at UnitedHealthcare Community & State, a [UnitedHealth Group](#) business.** “We are fortunate to work with partners like Invest Appalachia, who really understand the rich culture of Appalachia and are creating new ways to address community needs to improve quality of life and health.”

IA specifically targets the sectors of Community Health (including housing), Clean Energy, Creative Placemaking (including downtown revitalization), and Food & Agriculture, as well as other projects that advance the impact goals of Equity, Justice, & Inclusivity, Climate Resilience and Sustainability, and Community Wealth-building & Quality Jobs. The fund emerged out of a 6-year [consensus-building project](#) with 50+ place-based partners who helped to identify the strategies, sectors, and investments that can drive inclusive economic prosperity. Appalachia has developed a robust, home-grown community investment ecosystem of CDFIs (Community Development Financial Institutions), foundations, and community development organizations, but critical gaps in capital and capacity remain. As **Sara Morgan, [Fahé](#) Executive VP and Chief Investment Officer** and Invest Appalachia Board Member, has noted, “It was important for Invest Appalachia to build on what works, and help existing community finance actors go further with their capital. We are stronger when we work together, and that mindset is what drives IA.”

The result is that Invest Appalachia builds on the existing capacity and infrastructure in the region, working alongside community-based partners to find creative capital solutions for high-impact projects across industries that are driving economic justice and inclusive prosperity. “Invest Appalachia is an example of what’s possible when partners come together to think beyond their usual boundaries and create community-centered, regional-scale solutions,” shared **Stephanie Randolph, Deputy Director of Cassiopeia Foundation** and founding Board Chair of Invest Appalachia.

Central Appalachia is home to hardworking, creative, and resilient communities whose people and natural resources have fueled the economic growth of America for generations. Now, despite [chronic underinvestment, persistent poverty, and other entrenched barriers to opportunity](#), the [region has created its own momentum toward economic transformation and community revitalization](#). To achieve its full potential, the region requires innovative, scalable, and justice-centered investment approaches that create equitable economic opportunity for generations to come. IA is part of a movement to tell a new story about Appalachia that is led by communities and shows what is possible for the region’s future.

“Appalachia is a region known for its creativity, hard work, and long-standing tradition of people helping people. At the Appalachian Regional Commission, the key to creating





transformational growth throughout our region lies in drawing upon Appalachia’s history of collaboration. As such, we are pleased to support organizations like Invest Appalachia, which works across county and state borders to build capacity and bring new investment and vision into Central Appalachia,” said **Gayle Manchin**, [Appalachian Regional Commission Federal Co-Chair](#).

Invest Appalachia targets high-impact projects that require flexible, collaborative solutions. IA blends financing from the IA Fund with risk-absorbing philanthropic dollars from its “Catalytic Capital” pool (see the [list of inaugural Catalytic Capital awards here](#)). Invest Appalachia’s initial investments and pipeline include: the acquisition and development of a downtown property in a small town by a BIPOC-led community development corporation, in partnership with a local CDFI; flexible support for long-term flood recovery and resilience in E. Kentucky, including new housing and small business lending; a rural grocery store energy efficiency overhaul co-financed with a partner CDFI and supported by a loan guarantee from IA’s Catalytic Capital pool; a loan from the IA Fund, supported by a loan guarantee, for a small dollar consumer lending CDFI providing an alternative to predatory lending for low-income families; and other community-centered projects. This blended capital approach reduces systemic barriers for underserved entrepreneurs & communities, leveraging repayable investment into communities that have historically lacked access to capital and opportunity.

The Invest Appalachia board and staff are deeply connected to Appalachian communities, and the organization’s governance structure formalizes community accountability at multiple levels, including a Community Advisory Council of locally-rooted stakeholders and an Investment Committee representing broad and diverse experience with community investment. The IA Fund’s Investment Manager is [LOCUS Capital](#), the registered investment advisor affiliate of LOCUS Impact Investing.

There are countless people and organizations that have been critical to the development of Invest Appalachia, with special appreciation for:

- The Invest Appalachia [Board of Directors](#) for their dedication and stewardship of the organization’s mission and vision
- The [LOCUS Impact Investing](#) team led by Jay Beekman, for their development partnership and ongoing role as Investment Manager
- [Appalachia Funders Network](#) for convening the early conversations and their ongoing role in consensus-building and organizing
- [Appalachian Regional Commission](#), [Claude Worthington Benedum Foundation](#), and Cassiopeia for their early financial support of this initiative
- [Rural Support Partners](#) for coordination and strategy support during the planning phase
- [Center for Community Investment](#) for their concepts, coaching, and support
- Dozens of local and regional partners who contributed their time, vision, and expertise toward ensuring that IA is a model that will serve community needs



Media Contact:

Andrew Crosson
Invest Appalachia
info@investappalachia.org

Find this announcement online at: <https://www.investappalachia.org/news/launch-of-ia-fund>.

About Invest Appalachia:

Invest Appalachia is a regional blended capital platform, designed to accelerate and expand community investment across Central Appalachia. Our mission is to help finance Appalachia's transition to a more resilient, equitable, and sustainable economic future. Invest Appalachia is governed by a regionally representative board of directors and managed by regionally-rooted staff. Invest Appalachia works across the Appalachian counties of Kentucky, West Virginia, Virginia, Ohio, North Carolina and Tennessee, catalyzing community investment from the ground up. To learn more visit www.investappalachia.org.

About LOCUS Impact Investing:

LOCUS is a national non-profit consulting organization and registered investment advisor that works with foundations and mission-driven investors wherever they are on their local impact investing journey to help them create lasting, meaningful change in their communities. LOCUS partners with mission-driven institutions to unlock more of their assets and deploy dollars to catalyze equitable economic development and make community-informed investments guided by innovative, effective, and equitable practices. LOCUS is a wholly owned subsidiary of the non-profit VCC Social Enterprises. For more information about LOCUS visit: <https://locusimpactinvesting.org/>

***Disclaimer:** Interests in the Fund are only offered to eligible investors through the Fund's offering documents. This is not an offer or a solicitation of an offer to buy Fund interests. Persons must be "accredited investors" to invest in the Fund, which may not be suitable for all investors.*

###

