

How Mission-Related Investments Work

In 2017, the Ford Foundation announced a commitment to invest \$1 billion over the course of 10 years to the nascent investment field known as mission-related investing. This video transcript explains how mission-related investments work, and why they're a critical tool for social transformation in philanthropy and beyond.

Transcript begins.

[Simple animated graphics support the narrative throughout.]

Each year the Ford Foundation puts at least five percent of our endowment toward efforts to reduce inequality around the world through our grant making and program-related investments.

So, what happens with the rest of the endowment?

The rest of the endowment is carefully managed to create the financial returns that are necessary to continue our grant making well into the future. As a philanthropic organization, we are always exploring how we can put more of our assets toward reducing inequality. This is where mission-related investments come in. Over a period of 10 years, the Ford Foundation is committing up to \$1 billion of our endowment to mission-related investments—a start toward using more of our assets for social impact.

What are mission-related investments?

MRIs are investments made with two goals in mind: They aim to promote long-term social impact through promoting things like quality education, a healthy environment, and economic equality. And, they seek attractive financial returns.

How exactly can MRIs lead to social impact?

For example, the Ford Foundation might invest in a fund that seeks to preserve affordable housing for low-income families in the United States. Over time, through capital improvements and efficiencies created at the properties, and through rent revenues, the fund will generate a financial return for its investors. Or, in developing countries, the Ford Foundation might invest in a fund that develops and provides safe and affordable financial products and services to the underserved. This would help promote financial inclusion, and the foundation would receive returns when the fund's underlying portfolio companies repay their investments. The Ford Foundation is excited to join this growing movement and encourages others to use the power of the market to create lasting impact around the world.

[on-screen graphic: Ford Foundation logo]

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To learn more, read “[Unleashing the Power of Endowments](#),” by Ford Foundation president Darren Walker, and see the [Mission Investments](#) section of [our website](#).