









## Potential obstacles



## Suggested solutions



Trustees, investment committees, investment advisers and asset managers may believe that it is their fiduciary duty to ensure that endowments are invested with the sole aim of maximising financial return, and that taking into account social return is not within their remit. Even where they are open to mission-related investments (MRI) as an idea, they may still not know how to put it into practice.



Engage with all stakeholders involved in decision-making about how your endowment is invested to uncover potential barriers and explore how these might be overcome. Draw on existing resources which explain the benefits of adopting a MRI approach, which clarify the relevant laws and regulations relating to trustee fiduciary duties in your jurisdiction, and outline how MRI can be done in practice. Join networks focused on MRI and impact investing to share knowledge and learn from other funders that may be further along in their journey. If your existing investment advisers or asset managers do not have the skills or willingness to engage with MRI, explore whether there are others in the market that can provide the right support.



Trustees or living donors and their family members may be resistant to the idea of spending down, if they see it as part of their role to preserve the organisation's endowment for future use.



Debates over spending down versus existing in perpetuity are complex, and there are valid views on both sides. Most importantly, consider the issue and question whether perpetuity is merely an assumed norm, or if it fulfils a clear strategic purpose. These conversations may bring to light opportunities to consider increasing grantmaking payout rates or spending down a portion of your endowment in ways that will deliver greater impact in line with your mission.



Organisations and their governing bodies may undervalue non-financial assets (particularly unusual assets) and misunderstand how useful these resources can be for the long-term goals of an organisation.



Seek examples of organisations that have effectively leveraged their non-financial assets and used them to advance the mission of the organisation. Use such case studies (see Resources at the end of this section) when advocating for a more holistic approach to network-building.

# Resources

Arabella Advisers (2022). [Before Sunset: Recommendations for Spending Down a Foundation and Extending Impact.](#)

AVPN (2018). [Leveraging the Full Spectrum of Philanthropic Capital Towards Impact: Case studies from Asia Pacific and the US.](#)

Bridgespan Group (2018). [Beyond the Grant: Foundations as Impact Investors.](#)

Builders Initiative and Social Finance (2023). [Breaking Barriers: A Practical Guide to Unlocking Foundation Endowments for Mission and Returns.](#)

Candid (2015). [Foundation Life: Beyond Money and Grantmaking.](#)

Center for Effective Philanthropy (2017). [A Date Certain: Lessons From Limited Life Foundations.](#)

Centre for Strategic Philanthropy (2022). [When Two Rivers Cross: Impact Investing and Philanthropy in Nigeria.](#)

Centre for Strategic Philanthropy (2023). [Tony Elumelu Foundation: Philanthropy for Entrepreneurs: Democratising Luck Across the African Continent.](#)

[Confluence Philanthropy.](#)

European Venture Philanthropy Association (2015). [A Practical Guide to Adding Value Through Non-Financial Support.](#)

Impact Investing Institute (2022). [Investing with Impact in the Endowment.](#)

MARS (2020). [MARS, Incorporated to Launch Independent Platform Aimed at Transforming The Role and Impact of Business.](#)

Mission Investors Exchange. [Endowment Investing Resource Library.](#)

National Center for Family Philanthropy. [Ending Well: Exits and Spend Down.](#)

National Center for Family Philanthropy (2023). [Finding the Right Advisor to Help Align Your Investments with Your Values.](#)

Philanthropy For Climate Case Studies (2023). [Supporting climate-friendly market-led approaches in Canada: Trottier Family Foundation case.](#)

Rockefeller Philanthropy Advisers (2008). [Mission-Related Investing: A Policy and Implementation Guide for Foundation Trustees.](#)

Stanford Social Innovation Review. [Mission Possible: How Foundations Are Shaping the Future of Impact Investing.](#)

The Smart Company (2007). [Developing Understanding around Non-Financial Support.](#)

The Stone Family Foundation (2021). [Non-Financial Support and How We Make It Matter.](#)