



CASE STUDY
Investigating New Market Opportunities



“We started to implement the Fox MC team’s recommendations shortly after the project. We are very happy with the results.”

- Sarah Vernon-Sterman, Chief Lending Officer

Client Profile

The Reinvestment Fund (TRF) builds wealth and opportunity for low-wealth people and places through the promotion of socially and environmentally responsible development. A member of the Opportunity Finance Network, TRF is a Community Development Financial Institution (CDFI) with \$1 billion in cumulative investments and loans in the Mid-Atlantic region. The firm primarily operates in four lines of business – Lending and Investing, Policy and Information Services, Real Estate Development, and the Policy Map. Using an innovative, data-driven approach to lending, TRF has been able to apply capital to the “point of impact” with a deep focus in Affordable Housing, Charter Schools, Health Centers, and Food Retail sectors.

The Project

TRF engaged Fox MC to investigate new growth areas and develop a business plan for successfully targeting those markets. As regulatory and policy changes create new

opportunities, TRF aimed to re-evaluate previously dormant sectors with renewed focus, e.g. early childhood services, that have both policy impact and reasonable cash flow potential.

Recommendations

After analyzing the research, Fox MC recommended that TRF expand lending to Early Education and Independent Living. Fox MC also recommended that TRF allocate the least priority toward Community Food Project due to the infrequency of lending opportunities. For Adult Day Services, a “wait and see” approach was suggested. The research from Fox MC provided TRF with sufficient information to start looking for lending opportunities in Early Education, Independent Living, and Community Food Project along with resources and leads that will help TRF to become subject matter experts in Adult Day Services.

Results

Since the project concluded in May 2012, TRF implemented many of the Fox MC team’s recommendations, which resulted in \$250,000 of new loans.

