

MOBILIZING THE RIGHT SOURCES FOR YOUR LOCAL WELLNESS FUND

Identifying sources and securing funds for your local wellness fund are two tasks your local wellness fund will engage in continually. This brief provides seven steps for local wellness funds to consider as they identify and begin to approach funders.

OUTLINE YOUR FUNDRAISING VISION

Before you create your local wellness fund, it is important that you have a sense—even theoretically—of how you will raise funds.¹ Consider:

- What level of effort can you put into raising funds?
- What types of funding sources would you like to pursue?
- Do you have the right people engaged to support the type and level of fundraising you would like to do? If not, what will it take to bring them on board?
- How involved in the structure of your local wellness fund do you want your funding sources to be?

MAP THE MONEY IN YOUR SYSTEM

The Mapping the Money in the System tool for local wellness funds can help you begin to develop a picture of your funding landscape and the potential resources available to you. The tool helps users create an inventory of known, existing funding sources and encourages the identification of new and innovative sources of funding.

ENLIST “MONEY-WHISPERERS”

As you build your leadership and identify champions, ensure you are recruiting individuals and organizations that reflect your potential funding sources and your local finance sector. For example, aim to engage:

- Financial institutions, such as banks or credit unions, community development financial institutions, and other traditional lenders. These partners can help ensure your local wellness fund incorporates “sound business thinking.”²

- Philanthropic institutions, such as community foundations and donor networks, which can help mobilize early capital contributions.
- State and local government agencies, which can help integrate the fund into their economic development strategies.

DEFINE YOUR BUSINESS MODEL³

A local wellness fund's business model should be a design for the successful operation of the fund. The business model is one place where a fund's structure overlaps with its sources. Your business model can include potential funding sources and will inevitably be informed by how much money your local wellness fund needs to achieve its mission.

A first step in the process is to determine how much money you will need for management (structure⁴), implementation (uses⁵), and overhead costs. Consider what will be required to get the fund started and what will be required to sustain the fund over a specific period. Keep these considerations in mind:

- The larger your operating budget, the more money you will need to manage your local wellness fund.
- The more small investments you make, the more it will cost to administer the local wellness fund. The cost to oversee and conduct due diligence is often the same regardless of the size of the investment. In other words, managing ten \$5,000 projects and managing ten \$15,000 projects will require a similar level of resources.
- Your local wellness fund's structure will also impact its operating costs. For example, if your fund has a backbone organization that can provide infrastructure and a percentage of staff members' time, your additional operating costs will be lower than the costs for a local wellness fund that operates as a stand-alone entity with its own staff.
- What percentage of the estimated budget can you reasonably expect to raise locally? What percentage will need to come from state- or national-level sources?
- How much will you include funders and the community in decision making? More engagement can be critical to sustainability; it can also require additional funding.

DEFINE YOUR VALUE PROPOSITION

A local wellness fund's value proposition is an important part of its fundraising strategy.⁶ In the case of local wellness funds, a value proposition can be defined as a description of how the fund will provide value to its community. It should clearly state the population health problem(s) your fund aims to address, the reason your fund is uniquely positioned to address said problem(s) and the tangible positive results you expect to see. As you develop your value proposition, keep these recommendations in mind:

- Make sure it is easy to understand by a broad range of stakeholders.
- Consider providing a very brief explanation of local wellness funds and how they are unique to other funding mechanisms.
- Clearly communicate the results/impact you expect to see and explain how your local wellness fund will achieve those results.
- Avoid jargon and hyperbole.
- Keep it short! The shorter and more accessible it is, the easier it will be to share with potential funding sources.

As you consider the value your local wellness fund can bring to your community, also consider how your local wellness fund could negatively impact your community. For example, many funds want to ensure they don't drive funding sources away from existing, local organizations. Keep potential unintended outcomes like this in mind as you define your value. You may even want to include something in your proposition to indicate that you have designed your fund to avoid such outcomes.

ENGAGE SOURCES OF CATALYTIC CAPITAL

Engage sources of catalytic capital⁷ early on to help pay for startup costs and encourage others to invest. Creating a sense of urgency can encourage commitment; so, provide clear timebound targets for generating capital.⁸ As with any new initiative, be prepared to demonstrate your own commitment first and set achievable growth targets over time. Internal commitment can be demonstrated through personal contributions from board members or organizational contributions from key partners.

BROADLY MARKET YOUR LOCAL WELLNESS FUND

Once you have determined your local wellness fund's structure, have a clear sense of how you will use the money your local wellness fund raises, and have identified potential funding sources through stakeholder mapping and mapping the money in your system, you can market your local wellness fund to a broad set of stakeholders.

Develop a marketing plan

A marketing plan details your strategy for engaging potential sources. There are many marketing plan templates and guidance documents available for free online.⁹ Many marketing plans include:

- Marketing goals and objectives
- Target audiences (potential sources, their priorities, preferred marketing platforms and channels, and tailored key messages)
- Action plan and timeline
- Performance measures
- Budget required to implement the plan

Some marketing plans also include a marketing SWOT (strengths, weakness, opportunities, and threats) analysis to help local wellness funds build on strengths, take advantage of opportunities, act on existing weaknesses and navigate potential threats.¹⁰

Marketing plans should be updated regularly. An example annual plan could include:

1. Quarter 4: Set the coming year's investment targets and fundraising goals
2. Quarter 1: Update marketing and plan and develop and/or refine source-specific key messages
3. Quarter 2: Begin marketing effort
4. Quarter 3: Continue marketing effort and measure performance

Create marketing materials

Once your marketing plan is in place, your local wellness fund will need a set of well-produced documents that provide funding sources with the information they need to make an informed decision about investing in your local wellness fund. These can include:

- One-pager or brief
- Business model (see step 3)
- Value proposition (see step 4)
- Audience-specific [pitch decks](#)¹¹
- Press releases
- Success stories and testimonials
- Annual report

As you are developing your marketing plan and materials, have close partners review them and provide feedback and recommendations for improvement.

Continually build and foster relationships

Raising money for your local wellness fund is as much about relationships as it is about having the right marketing plan and materials. The networks your local wellness fund and community partners bring to the project are critical to its success. Cultivating champions with strong relationships will help generate interest and investment in your local wellness fund through one-on-one conversations, and public declarations of support. Ensure your board members, leadership and staff are prepared to promote your local wellness fund among their networks whenever they can.¹²

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- ³ Local Investing Resources Center (no date). Steps to Create a Community Investment Fund. Retrieved from <https://localinvesting.org/steps-to-create-a-community-investment-fund/>.
- ⁴ "Structure" encompasses a local wellness fund's governance, oversight and accountability.
- ⁵ "Uses" includes the activities a local wellness fund spends its money on, as well as its purpose, desired outcome and intended impact.
- ⁶ Eldridge, M., Hawkins, R., Mitra-Majumdar, M. (2019). State and Local Governments and Impact Investing A Guidebook for Strategic Engagement. Retrieved from https://www.urban.org/sites/default/files/publication/99845/state_and_local_govt_and_impact_investing.pdf.
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